

and ambulance crews, Federal law enforcement officers and firefighters, are all covered under the Public Safety Officers Benefits Act, which provides death benefits and permanent disability benefits for those who are injured with some traumatic injury while in the line of duty.

Excluded under this act are those who work for civil defense agencies and the employees of the Federal Emergency Management Agency. This had been brought to my attention a few years ago, and during the confirmation hearings in our Governmental Affairs Committee of James Lee Witt, the current FEMA Director, I asked him his reaction to legislation that would expand coverage of this act and his responses were very favorable.

I introduced the legislation. It was not adopted in the last Congress, but I have recently reintroduced the bill and it is now pending in the Senate as S. 791. I hope Senators will take a look at this bill and consider cosponsoring the legislation, or supporting its passage.

I am today sending a letter to all Senators, inviting their attention to this legislation and the circumstances of it. The enactment of this bill will provide these civil defense employees and emergency management employees with the same kind of assurance that others who are similarly employed will have, should death or disabling injury result from the performance of their duty. Their families would receive survivor benefits, and they could be made eligible for disability benefits.

Mr. President, I ask unanimous consent a copy of my "Dear Colleague" letter to which I have referred be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, May 15, 1995.

DEAR COLLEAGUE: I recently introduced S. 791, a bill to extend coverage under the Public Safety Officers Benefits Act to employees of the Federal Emergency Management Agency (FEMA) and employees of State and local emergency management and civil defense agencies.

The Public Safety Officers Benefits Act provides benefits to the eligible survivors of a public safety officer whose death is the direct result of a traumatic injury sustained in the line of duty. The Act also provides benefits to those officers who are permanently and totally disabled as the direct result of a catastrophic personal injury sustained in the line of duty.

The Act now covers State and local law enforcement officers and fire fighters, Federal law enforcement officers and fire fighters, and Federal, State, and local rescue squads and ambulance crews. However, an employee of a State or local emergency management or civil defense agency, or an employee of FEMA who is killed or permanently disabled performing his or her duty in responding to a disaster is not covered under the Act.

Enactment of S. 791 will remedy this situation by extending the Act to those employees. This will ensure that the survivors and family members of an employee killed in the line of duty will receive benefits and that an employee permanently and totally disabled as a result of injury sustained in the line of

duty will also receive disability benefits of the Act.

During his confirmation hearing in the last Congress, FEMA Director James Lee Witt said that emergency management and civil defense employees put their lives on the line just about every time they respond to an event. Enactment of this legislation will provide them with some assurance that, should death or disabling injury result from the performance of their duty, their families will receive survivor benefits or they will receive disability benefits.

If you would like to cosponsor this bill, please have your staff contact Michael Loesch at 4-7412.

Sincerely,

THAD COCHRAN,  
U.S. Senator.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

#### ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 395, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 395

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **[TITLE I**

##### **[SECTION 101. SHORT TITLE.**

**[This title may be cited as the "Alaska Power Administration Sale Act".**

##### **[SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.**

**[(a)** The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as "Snettisham") to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended, between the Alaska Power Administration of the Department of Energy and the Alaska Power Authority.

**[(b)** The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as "Eklutna Purchasers"), in accordance with the terms of this Act and the August 2, 1989,

Eklutna Purchase Agreement, as amended, between the Department of Energy and the Eklutna Purchasers.

**[(c)** The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

**[(d)** The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

**[(e)** There are authorized to be appropriated such sums as may be necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the asset to be sold.

##### **[SEC. 103. EXEMPTION.**

**[(a)(1)** After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et. seq.).

**[(2)** The exemption provided by paragraph (1) does not affect the Memorandum of Agreement entered into between the State of Alaska, the Eklutna Purchasers, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

**[(3)** Nothing in this Act or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

**[(b)(1)** The United States District Court for the District of Alaska has jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

**[(2)** An action seeking review of a Fish and Wildlife Program ("Program") of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement shall be brought not later than ninety days after the date of which the Program is adopted by the Governor of Alaska, or be barred.

**[(3)** An action seeking review of implementation of the Program shall be brought not later than ninety days after the challenged act implementing the program, or be barred.

**[(c)** With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

**[(1)** The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

**[(A)** at no cost to the Eklutna Purchasers;

**[(B)** to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

**[(C)** sufficient for the operation, maintenance, repair, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including land selected by the State of Alaska.

**[(2)** If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued uses of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with current law.

**[(3)** Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary

of the Interior determines that pending claims to, and selection of, those lands are invalid or relinquished.

[(4) With respect only to approximately eight hundred and fifty-three acres of Eklutna lands identified in paragraphs 1. a., b., and c. of exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey, to the State, improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85-508), and the North Anchorage Land Agreement of January 31, 1983. The conveyance is subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

[(d) With respect to the approximately two thousand six hundred and seventy-one acres of Snettisham lands identified in paragraphs 1. a. and b. of Exhibit A of the Snettisham Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlement in section 6(a) of the Act of July 7, 1958 (Public Law 85-508).

[(e) Not later than one year after both of the sales authorized in section 2 have occurred, as measured by the transaction dates stipulated in the purchase agreements, the Secretary of Energy shall—

[(1) complete the business of, and close out, the Alaska Power Administration;

[(2) prepare and submit to Congress a report documenting the sales; and

[(3) return unused balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

[(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, when all Eklutna assets have been conveyed to the Eklutna Purchasers.

[(g) Section 204 of the Flood Control Act of 1962 (Public Law 87-874; 76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, when all Snettisham assets have been conveyed to the State of Alaska.

[(h) As of the later of the two dates determined in subsection (f) and (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152 (a)) is amended—

[(1) in paragraph (1)—

[(A) by striking out subparagraph (C); and

[(B) by redesignating subparagraphs (D), (E) and (F) as subparagraphs (C), (D), and (E) respectively;

[(2) in paragraph (2), by striking out “the Bonneville Power Administration, and the Alaska Power Administration” and inserting in lieu thereof “and the Bonneville Power Administration”.

[(i) The Act of August 9, 1955 (69 Stat. 618), concerning water resources investigation in Alaska, is repealed.

[(j) The sales of Eklutna and Snettisham under this Act are not considered a disposal of Federal surplus property under the following provisions of section 203 of the Federal Property and Administration Services Act of 1949 (40 U.S.C. 484) and section 13 of the Surplus Property Act of 1944 (50 U.S.C. app. 1622).]

#### TITLE I

##### SECTION 101. SHORT TITLE.

This title may be cited as the “Alaska Power Administration Asset Sale and Termination Act”.

##### SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as “Snettisham”) to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended,

between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority and the Authority successors.

(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as “Eklutna”) to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as “Eklutna Purchasers”), in accordance with the terms of this Act and the August 2, 1989, Eklutna Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Eklutna Purchasers.

(c) The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

(d) Proceeds from the sales required by this title shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

(e) There are authorized to be appropriated such sums as may be necessary to prepare, survey and acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy by the purchaser.

##### SEC. 103. EXEMPTION AND OTHER PROVISIONS.

(a)(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et seq.) as amended.

(2) The exemption provided by paragraph (1) does not affect the Memorandum of Agreement entered into among the State of Alaska, the Eklutna Purchasers, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

(3) Nothing in this title or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

(b)(1) The United States District Court for the District of Alaska shall have jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

(2) An action seeking review of a Fish and Wildlife Program (“Program”) of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement prior to the adoption of the Program shall be brought not later than ninety days after the date of which the Program is adopted by the Governor of Alaska, or be barred.

(3) An action seeking review of implementation of the Program shall be brought not later than ninety days after the challenged act implementing the Program, or be barred.

(c) With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(1) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(A) at no cost to the Eklutna Purchasers;

(B) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(C) sufficient for the operation of, maintenance of, repair to, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including lands selected by the State of Alaska.

(2) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with existing law.

(3) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to, and selections of, those lands are invalid or relinquished.

(4) With respect to the Eklutna lands identified in paragraph 1 of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85-508, 72 Stat. 339, as amended), and the North Anchorage Land Agreement dated January 31, 1983. This conveyance shall be subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

(d) With respect to the Snettisham lands identified in paragraph 1 of Exhibit A of the Snettisham Purchase Agreement and Public Land Order No. 5108, the State of Alaska may select, and the Secretary of the Interior shall convey to the State of Alaska, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85-508, 72 Stat. 339, as amended).

(e) Not later than one year after both of the sales authorized in section 102 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration;

(2) submit to Congress a report documenting the sales; and

(3) return unobligated balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, that all Eklutna assets have been conveyed to the Eklutna Purchasers.

(g) Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, that all Snettisham assets have been conveyed to the State of Alaska.

(h) As of the later of the two dates determined in subsection (f) and (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152 (a)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E) respectively; and

(2) in paragraph (2) by striking out “and the Alaska Power Administration” and by inserting “and” after “Southwestern Power Administration.”

(i) The Act of August 9, 1955, concerning water resources investigation in Alaska (69 Stat. 618), is repealed.

(j) The sales of Eklutna and Snettisham under this title are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1994, popularly referred to as the “Surplus Property Act of 1944” (50 U.S.C. App. 1622).

#### TITLE II

##### SEC. 201. SHORT TITLE

This title may be cited as “Trans-Alaska Pipeline Amendment Act of 1995”.

##### SEC. 202. TAPS ACT AMENDMENTS.

Section 203 of the Act entitled the “Trans-Alaska Pipeline Authorization Act,” as amended (43 U.S.C. 1652), is amended by inserting the following new subsection (f):

“(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

“(1) Subject to paragraphs (2) and (3), notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over a right-of-way granted pursuant to this section may be exported.

“(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, the oil shall be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

“(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.”.

#### SEC. 203. SECURITY OF SUPPLY.

Section 410 of the Trans-Alaska Pipeline Authorization Act (87 Stat. 594) is amended to read as follows: “The Congress reaffirms that the crude oil on the North Slope of Alaska is an important part of the Nation’s oil resources, and that the benefits of such crude oil should be equitably shared, directly or indirectly, by all regions of the country. The President shall use any authority he may have to ensure an equitable allocation of available North Slope and other crude oil resources and petroleum products among all regions and all of the several States.”.

#### SEC. 204. ANNUAL REPORT.

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following: “In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration District 5 have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate.”.

#### SEC. 205. GAO REPORT.

The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

#### SEC. 206. EFFECTIVE DATE.

This [Act] title and the amendments made by it shall take effect on the date of enactment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, the Senator from Washington and I have been in discussion. It is my understanding that the Senator from Washington has agreed to taking up the debate on the bill at this time.

I ask the Chair for unanimous consent that the committee amendment be

adopted and considered to be the original text for further amendment.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MURKOWSKI. Mr. President, in view of the objection, it would be my intent to announce to the body that I would move to table. I want to accommodate my friend from Washington, but I will suggest that at 2:30 I will move to table the committee amendment at that hour.

Mr. President, let me begin with my opening statement relative to S. 395.

Mr. President, on February 13, the senior Senator, Senator STEVENS, and I introduced Senate bill 395. Title I of this bill provides for the sale of the Alaska Power Administration—known as the APA—the assets of that and the termination of the Alaska Power Administration once the sale occurs.

Further, title II would allow exports of Alaska’s North Slope oil, referred to as ANS crude oil, when carried only on U.S.-flag vessels. It is my understanding that Senator FEINSTEIN and Senator KYL later cosponsored S. 395.

On March 1 the committee heard testimony from the administration, from the Lieutenant Governor of Alaska, the State of California, the California independent producers, maritime labor, and other proponents of Senate bill 395. The administration testified in support of lifting the Alaska North Slope crude oil export ban, and they indicated that the bill should be amended to provide for an appropriate environmental review to allow the Secretary of Commerce to prevent anticompetitive behavior by exporters and to establish a licensing system. And then on March 15, after agreeing to work with the administration on these concerns prior to bringing the bill to the floor, the committee adopted Senate bill 395 by an overwhelming vote. The vote on that was 14 to 4. So it was truly bipartisan support relative to the merits of S. 395.

Further, Mr. President, Senator JOHNSTON and I were pleased to offer a committee substitute. We propose that now as in the original bill. Title I would provide for the sale of the assets of the Alaska Power Administration and title II would authorize exports of Alaska North Slope crude carried on American flag vessels with changes to satisfy some Members and administration concerns.

Title I of S. 395 provides for the sale of the Alaska Power Administration’s assets and the termination of the Alaska Power Administration once the sale is completed.

Further, I am pleased to state that the Department of Energy has testified in support of the Alaska Power Administration’s asset sale and agency termination.

In addition, on April 7, 1995, the administration submitted legislation to Congress substantially similar to title I of S. 395. The transmittal letter says:

This legislation, which is proposed in the President’s FY 1996 budget, is part of the administration’s ongoing effort to reinvent the Federal Government.

The Alaska Power Administration is quite unique among the Federal power marketing administrations. First, unlike the other Federal power marketing administrations, the Alaska Power Administration owns its power-generating facilities, which consist of two hydroelectric projects.

Second, these single-purpose hydroelectric projects were not built as a result of the water resource management plan as is the case or was the case with most other Federal hydroelectric dams. Instead, they were built to promote economic development and the establishment of essential industries.

Third, the Alaska Power Administration operates entirely in one State, the State of Alaska.

Fourth, the Alaska Power Administration was never intended to remain indefinitely under Government control. That is specifically recognized in the Eklutna national project authorizing legislation. The Alaska Power Administration owns two hydroelectric projects, one near Juneau at Snettisham and the other near Anchorage at Eklutna. Snettisham is a 78-megawatt project located 45 miles from Juneau to the south. It has been Juneau’s main power supply since 1975, accounting for up to 80 percent of its electric power. Eklutna is a 30-megawatt project located 34 miles northeast of Anchorage. It has served the Anchorage and Matanuska valleys since about 1955 and accounts for 5 percent of its electric power supply.

The Alaska Power Administration’s assets will be sold pursuant to the 1989 purchase agreement between the Department of Energy and the purchasers. Snettisham will be sold to the State of Alaska. Eklutna will be sold jointly to the municipality of Anchorage, Chugach Electric Association, and the Matanuska Electric Association.

For both, the sale price is determined under an agreed upon formula. It is the net present value of the remaining debt service payments that the Treasury would receive if the Federal Government had retained ownership of the two projects. The proceeds from the sale are currently estimated to be about \$85 million. However, the actual sales price will vary with the interest rate at the time of purchase.

S. 395, in a separate formula agreement, provided for the full protection of the fish and wildlife in the area. The purchasers, the State of Alaska, the U.S. Department of Commerce, U.S. Marine Fisheries, and the U.S. Department of the Interior, have jointly entered into a formal binding agreement providing for postsale protection, mitigation and enhancement of fish and wildlife resources affected by Eklutna and Snettisham. The agreement makes that legally enforceable.

As a result of the formal agreement, the Department of Energy, the Department of the Interior, and the Department of Commerce will all argue that the two hydroelectric projects warrant exemption from FERC licensing under the Federal Power Act. The August 7, 1991 purchase agreement states in part that

The National Marine Fisheries Service, the U.S. Fish and Wildlife Service, and the State agree that the following mechanism to develop and implement measures to protect and mitigate damages, to enhance fish and wildlife, including related spawning grounds and habitat, obviate the Eklutna purchaser and the EAE to obtain licenses.

This agreed upon exemption from the Federal Power Act's requirements to obtain a FERC license will save the purchasers and their customers as much as \$1 million in licensing costs for each project plus thousands of dollars in annual fees.

The Alaska Power Administration has 34 people located in my State of Alaska. The purchasers of the two projects have pledged to hire as many of these as possible. For those who do not receive offers of employment, the Department of Energy has pledged that it will offer employment to any remaining Alaska Power Administration employees although the DOE jobs are expected to be in other States.

Let me turn to title II, Mr. President, the Trans-Alaska Pipeline Amendment Act of 1995.

Title II of S. 395 would at long last allow exports of Alaska's North Slope crude oil when carried on U.S.-flag vessels. This legislation will finally allow my State to market its major product in the global marketplace and let the marketplace determine its ultimate usage. The export restrictions were first enacted shortly after the commencement of the 1973 Arab-Israeli war and the first Arab oil boycott. At that time, many people believed that the enactment of the export restrictions would enhance our Nation's energy security. Indeed, following the major oil shock of 1979, Congress effectively imposed a ban on exports.

Well, Mr. President, much has changed since then. In part, due to conservation efforts and shift to other fuel sources, total U.S. petroleum demand in 1993 actually was lower than in 1978. However, in the last 2 years, our consumption of oil has significantly increased and our productive capacity has declined. Our dependence on foreign oil sources has now gone up. We now produce almost 3 billion barrels a day less than we did in 1973. Employment in the oil and gas production industry has fallen by more than 400,000 jobs since 1982. Production on the North Slope has now entered a period of sustained decline. Throughput in the Trans-Alaska pipeline has dropped from 2.2 million barrels a day in 1989 to about 1.5 million barrels a day currently. In California, small independent producers have been forced to abandon wells or defer further invest-

ments to increase production. By precluding the market from operating normally, the export ban has had the unintended effect of discouraging, discouraging, Mr. President, oil production in California and Alaska. Lifting the ban on Alaska North Slope crude oil exports is the first step, the first step toward stopping the decline of this Nation's oil production. ANS oil exports will increase our oil production capacity by opening new reserves to production. This is oil production that our country can count on if it needs it. With an efficient market brought about by exports, we would not have this increased production and resultant increase in energy security. With this market distortion eliminated, producers will make substantial investments, will make investments in California, they will make investments on the marginal field on the North Slope that will lead to additional production. Every barrel of additional oil produced in California and on the North Slope is one less that would have to be imported from the Mideast or elsewhere in the world.

In an effort to quantify the likely production response and to evaluate benefits and costs of Alaska oil exports, the Department of Energy has concluded a very comprehensive study last year on the matter. In its June 1994 report, the department concluded "Alaska oil exports would boost production in Alaska as well as California by approximately 100,000 to 110,000 barrels per day by the end of the century." The study also concluded ANS exports could create up to 25,000 jobs. These are new jobs that will be created in California and to a lesser degree Alaska. Now, Mr. President, some Senators have expressed concern that lifting the ANS oil export ban will jeopardize the supply of ANS crude on the west coast. This is just simply not the case. Washington and California are and will remain the natural markets for ANS crude. Washington and California ports are the closest to Alaska and the ANS crude will continue to be supplied to those refineries. The economics simply dictate that as the closest point from Alaska and the closest point to significant distribution capability because of the populations in those areas near those west coast refineries.

Furthermore, the only major refinery that opposes lifting the ban is one that has a 5-year contract with British Petroleum to keep their refinery supplied. It is my understanding there is still approximately 4 years left on that contract, so there is no immediate suggestion that this or any other refinery is about to have its operation jeopardized by this action.

Further, the lifting of the oil export ban would relieve pressure that forces some of the ANS crude oil down to Panama, where it is unloaded, transported across Panama via a pipeline, and then reloaded onto vessels to take it to the gulf coast. It simply makes no economic sense to handle the oil that

many times and transport it that long distance. That oil is the oil we are talking about, the available oil from 75,000 to 200,000 barrels a day that would be exported. The market in our opinion should determine the price and destination of the ANS crude oil.

Mr. President, there has been a long concern in the domestic maritime community that lifting this ban would force the scrapping of the independent tanker fleet—these are U.S.-flag vessels that make up the significant portion of the U.S. maritime fleet under the American flag—and this lifting of the ban would destroy employment opportunities for merchant mariners who remain a vital contributor to our national security.

In recognition of this concern, the proposed legislation before this body would require, and I emphasize require, the use of U.S.-flag vessels to carry the available oil that would be exported. This is not the first time the law was changed. Some would suggest that this is an issue of precedent, but it is not. The law was changed to allow the export of ANS crude oil in 1988 when Congress passed legislation to implement the United States-Canadian Free-Trade Agreement.

It agreed at that time to allow the 50,000 barrels a day of ANS crude to be exported to and subject to the oil being carried on Jones Act, that is U.S.-flag, vessels.

Mr. President, we have been trying to lift the oil export ban for some time. In the past, maritime unions opposed our efforts because they believed it would increase job losses in that industry. Last year, the maritime unions came to the realization that their unions were facing virtual extinction if Alaska oil production continued to decline; in other words, there would be no oil to haul and, as a consequence, no ships to man. So they initiated support for lifting the ban to help both Alaska and California production if—and I want to emphasize this—if it were transported on U.S.-flag vessels with U.S. crews.

Mr. President, this current ban no longer makes economic sense. For far too long, it has hurt the citizens of my State. It has severely damaged the California oil and gas industry and has precluded the market from functioning normally. In other words, you have a free market out there. It should function as a free market. If this ban is left in place any longer, there is no question that it will further discourage energy production. It will destroy jobs in California, or the prospects for jobs, as well as in my State of Alaska, and it will ultimately be the end of our seafaring mariners, the independent U.S. tanker fleet and, as a consequence, the shipbuilding sector of our Nation because, under the current law, these vessels are required to be built in U.S. shipyards. And, clearly, if there is no oil to haul, you are not going to need any ships, regardless of the mandate that they be U.S. vessels with U.S. crews.

I am sure we are going to hear from some of our colleagues today expressing concerns that prices will go up, gas prices, gasoline prices, on the west coast, if exports of ANS oil are authorized.

Well, Mr. President, there is no indication that this is the case. The Department of Energy carefully studied this issue and concluded that consumers would not see a discernible increase in the price at the gas pump. The DOE showed that west coast refineries enjoy the widest refiner gross profit margins in the country. Some would ask: Why? Well, we will get into that later on in the debate, I am sure.

In other words, the west coast refineries have been able to buy crude oil for less per barrel than anywhere else in the country because of the proximity of the refiners to the origin of the oil in Alaska, yet they are selling the gasoline or other refined products for more than anywhere else in the country.

In 1993, the refiners' gross margin on the west coast was more than \$4 higher than the U.S. average, according to the Department of Energy. Wholesale gasoline prices in California are consistently 3 or 4 cents higher than in New York, despite the fact that California refiners are purchasing cheaper crude than the foreign crude oil shipped into the east coast. One wonders why.

Another concern we will probably hear today is ANS oil exports will create environmental hazards, including increased chances of oil spills. However, the DOE study has taken that into consideration and found that exports of Alaskan oil will actually decrease tanker traffic in U.S. waters. And this is the simple reality. Furthermore, any tankers exporting ANS oil exported from Alaska will proceed some 200 miles off our coast and stay 200 miles or more off our coast while proceeding overseas. In other words, this oil, a small amount, in excess, will move from the Port of Valdez and go straight across the ocean, we assume, to refiners in perhaps Japan, Korea, and Taiwan, as opposed to this oil going down to the west coast of Alaska, the west coast of British Columbia, the west coast of the State of Washington, the State of California, and Oregon, as well.

So to suggest that there is an increase in environmental hazards of oil spills is simply not true because we are simply not moving this oil down the west coast. It is much safer, as a matter of fact, to transport it across the ocean than down the west coast of the United States.

It is interesting to point out, Mr. President, that this oil, this excess oil, would ordinarily have gone all the way down the west coast beyond California and into the pipeline at the Pacific isthmus in Panama, where it would have been unloaded, gone across Panama in the pipeline, and then again reloaded on smaller United States-flag vessels to be delivered to the refineries

in the gulf coast. The economics of this double handling is the reason this is no longer a viable alternative and why we have this excess oil on the west coast.

Now there are other concerns that exporting ANS crude will decrease work for the U.S. shipyards. However, in my opinion, it will have the reverse effect, simply because more tankers will be needed to trade, it will be necessary to bring a few more ships out. The lay-up fleet will provide significantly more jobs in the maritime market. The reason for that is you are moving the oil further and when you move it further, it takes more time and, as a consequence, you need more ships.

Now, the question that somehow this will result in tankers being repaired overseas if the ban is lifted, I think bears some examination. Because if Alaska crude oil production continues to decline, in part because of the depressed prices caused by the export ban, there will be more tankers put in lay-up and unavailable for repair. And I would further advise the Chair that, as far as the threat of tankers being lifted overseas, there is a 50-percent surcharge that must be paid to the U.S. Government for tankers that are lifted in foreign yards.

So, Mr. President, the reality is that it simply makes no sense to continue this ban at this time. And the lifting of the ban will, in my opinion, increase jobs, certainly increase domestic oil production without any cost to the country. It will be of great benefit to the country.

Mr. President, I would like to refer a little bit to a little of the history relative to this matter and try and put into perspective the situation in the State of Alaska as it exists today.

We are all aware that Alaska was a pretty good bargain when we purchased it from Russia and we paid a favorable price for it.

But, you know, we are a little unique in having come into the Nation of States in 1959. We have a population of some 560,000 people spread out over a vast area roughly one-fifth the size of the United States. Until a few years ago, we had four time zones in our State; now we have three, simply to make it simpler living in Alaska. We have some 33,000 miles of coastline.

We have a unique ownership of our land. We have 365 million acres. But if you look at the ownership of that land, you find that the Federal Government still owns over 65 percent of that land. Our State of Alaska, the State government itself, has about 28 percent. The native people, the aboriginal people of our State, have some 12 percent, and the private ownership in our State is somewhere in the area of 3 to 4 percent.

Our State has been producing nearly 25 percent of the Nation's total crude oil for the last 16 or 17 years. That production was as high as 2 million barrels a day. Now it is about 1.6 million barrels a day.

Coming into the Union in 1959 with the State of Hawaii, while we had ca-

maraderie and a friendship, we in many ways did not have much in common. We were a large land mass federally owned; Hawaii, a much smaller island land area.

We were separated by the Nation of Canada from the continental United States and, as a consequence, as we began to develop, a rather curious set of circumstances came about. We found ourselves subject to pretty much the whims of the Federal Government with regard to development, because the wealth and resources of our State, unlike many other States, were not controlled by private individuals or private groups in residence. We found ourselves subject to outside ownership and outside control.

So, as we look at Alaska today, we really have to look at what constitutes the ownership of our resources, what contributes to our economy, where they are domiciled, where our jobs come from in relationship to the development of those resources.

As we look at who owns Alaska today, setting aside the 65-percent Federal Government ownership, and identify our industries, we first look at our oil industry and find that our oil industry, which is such a significant factor, is not an Alaska-based industry. It is based in Texas, it is based in California, it is based in England, as a consequence of large international companies and not independents domiciled in our State.

Our second-largest industry, fishing, for all practical purposes, is controlled by interests out of the State of Washington, primarily in Seattle, and Japan, where a large percentage of the ownership is concentrated. Very little of our fishing industry, as far as the processing is concerned, is domiciled with ownership in our State. We have a significant number of fishing vessels in our State, but many of the fishing vessels that fish in our State are domiciled in other States.

Timber, which is our third-largest industry, is primarily controlled by the Japanese and interests in the State of Oregon and, to a lesser degree, in the State of Washington.

Mining, which is a tremendous resource potential for Alaska, is primarily situated in British Columbia, in England, and in Utah.

Our airlines, Mr. President, our largest carrier, Alaska Airlines, is domiciled in the Washington State area in Seattle. We are serviced by Delta, Northwest, United. As a consequence, the point I am making is virtually everything that comes in or goes out of Alaska goes through the State of Washington. Even our shipping, and virtually everything we use in our State, comes through the State of Washington. Sea-Land is associated in the Seattle area, yet it is a New Jersey corporation. Tote, which is a carrier that brings two to three ships a week in Alaska, is also domiciled in the State of Washington. Previous to that,

the State was dependent on transportation by Alaska Steamship Co.

Some of the more senior Members will undoubtedly recall the ongoing debate that occurred for many years between the late Senator Gruening and the Alaska Steamship Co. which he claimed had a vice grip on Alaska, its transportation system and, as a consequence, controlled, to some degree, the level of Alaska development.

As we look at everything we consume in Alaska—virtually everything—our foodstuffs, our beverages, our mattresses, our light bulbs, our toilet paper, everything comes up through the State of Washington.

We find many of our oil rigs or activities on the North Slope relative to oil and gas production are fabricated in the State of Louisiana and brought up. We have our own transportation system, a ferry system, which sails out of Bellingham, WA, to Alaska. It has been estimated that as much as 20 percent of all the economic activity in the State of Washington is directly associated with activities in Alaska. So one can say anything that happens in Alaska stimulating the economy also has a multiplying factor on the State of Washington. Even our oil tankers that haul oil go to shipyards, not in Alaska, but shipyards in Portland and San Diego, and those ships are not crewed with Alaskan crews, but rely on crews supplied from Washington, Oregon, and California.

Our cruise ships that come up to our State during the summer months sail out of Vancouver, BC, where they are supplied and crewed. They are owned by Florida and British interests.

So as we look at Alaska coming into the Union after all the rest of the States have established their land patterns, and so forth, we found that we had a rather curious set of circumstances. We have the reality that we are dependent, in a sense, for supply by our States to the south. The benefits are primarily concentrated in the State of Washington.

I think perhaps a little further history is appropriate as we look back on how some of these policies developed, and it is fair to say that back in the twenties there was a fear from the State of Washington, the Seattle area, that perhaps Vancouver, BC, or Prince Rupert, BC, might begin to supply the frontier country of Alaska. To ensure this profitable business activity generated through the State of Washington was not lost, there was an action by the Washington State delegation. That delegation was basically responsible for getting the Jones Act passed.

This was a rather interesting piece of legislation that said that goods and services that moved between two U.S. ports had to go in U.S. vessels with U.S. crews, built in U.S. shipyards. This action basically eliminated the British Columbia supplying Alaska goods originating in the United States and carrying them to ports in Alaska.

The question is, Who was Jones? You may have guessed it. He was a U.S.

Senator from the State of Washington. He served in this body 23 years, from 1909 to 1932. Some would say, why, he was doing his job, as some of the opponents today of this legislation can certainly justify, but we have to question, if you will, in Alaska that we were theoretically at that time denied an opportunity to let the market dictate the transportation modes to our State.

I wonder how the Senator from Alaska would be treated today if I were up here suggesting Washington and Oregon not be allowed to export their timber products to the markets of the world or that Boeing would not be allowed to sell their airplanes outside the United States or perhaps people in the State of Washington have to eat all their own delicious apples. This is a part of the issue as some of us in Alaska see it.

Our Washington State opponents say oil export of Alaska's surplus oil that has been on the west coast, formerly went through the Panama Canal, would harm Washington State because the excess oil on the west coast would not make it favorable for one of their major independent refiners in that area to be able to buy this oil at perhaps a favorable price that is pending.

They say the refinery jobs are threatened. I really think this argument has no foundation in reality. As I stated earlier, this refinery in question has 5-year contracts and 4 years remaining with British Petroleum to supply the amount of oil that it needs to that refinery. Perhaps we will get into refinery returns a little later in the debate. But it is fair to say the consumers of Washington State are not benefiting by the abnormally high rate of return on investment in comparison to the refining industry as a whole in this area.

In other words, the profits are not necessarily passed on to the consumer. That is really a case for the Washington delegation to address. But it certainly appears that way from the information supplied us by the Department of Energy, which I will make a part of the RECORD at a later date.

Further production of Alaska oil will always find its natural markets in the nearest area where there is a refining concentration simply because of the costs of transportation; and that equates to the existing refineries on the west coast, which are the closest source of Alaskan oil.

Oregon's opposition is a little different. Washington State does not have, as I understand it, shipyards with the capacity of lifting many of the larger U.S.-flag tankers. Several years ago, the Portland area, on the basis of the assumption that there would be perhaps more oil produced in Alaska, floated a public bond issue and bought a large dry dock from the Columbia River and solicited business of hauling out and dry-docking Alaskan tankers that were in the Alaskan trade as well as other commercial shipping.

As we look at the merits of the volume of oil, a quarter of all U.S. production, except a small amount, goes to the Virgin Islands—I might add, in for-

eign vessels—that is exempt, and it goes in in these U.S. tankers moved down from Alaska to ports in Washington, California, and Panama. The Oregon delegation fears that some of this excess oil that used to move through the Panama Canal, now with the proposed legislation that would allow it to move into foreign markets, the free market, even though it would still have to move in U.S. ships with U.S. crews, these ships might be dry-docked in foreign shipyards, even though there is a more, I think, protective piece of legislation in place that addresses this. As I have said before, this requires U.S. owners to pay a 50-percent penalty to the U.S. Government on top of the foreign shipyard bill.

So what we have here is understandable sensitivity. But not much is said by our Oregon neighbors as to where their shipyard was built. It was built in Japan. That is obviously a question that they saw fit to purchase that yard there rather than build it in the United States. Unfortunately, that shipyard has had its ups and downs. It has been out of work from time to time. And in making some inquiries, we found that most of the tanker traffic that used to be repaired in Portland is now being repaired in San Diego because we can only assume that yard appears to be more competitive, even though, at our urging, the tanker industry has contracted for the repair of two tankers in the Portland yard recently, and we will continue to support that yard as much as possible.

I hope that we can address the concerns of the Oregon delegation because we are quite sensitive to the fact that they floated a bond issue and those bonds are still being retired, and without an adequate volume of business, the ability to retire those bonds is questionable. So we want to assist in every way possible, and we are working with the Oregon delegation at this time to try to work out some accord.

I do not want to mislead the President about the real issue. There is an effort to stop Alaska from exporting its excess oil, and I wanted the RECORD to reflect on the real story and the reasons why.

Now, the issue of why excess oil on the west coast needs relief now deserves a brief, expanded explanation. When we were at an all-time high of our production—some 2 million barrels a day—we simply had to move this excess oil because the west coast refineries could not consume it; the markets were not big enough. So a pipeline was built, and it was very interesting. I went down for the opening of it. It was built by the Government of Panama in partnership with Northfield Industries, which is an east coast firm, and Chicago Bridge & Iron. It was built to move the excess oil, so the oil would go down from Valdez to the Pacific isthmus in U.S.-flag vessels, unloaded, and moved in the pipeline. I might add,

that pipeline was simply a cat trail in the jungle, and the pipe, for the most part, was on the surface. But it did the job.

In any event, once the oil was unloaded, the Pacific isthmus went through the pipeline, reloaded on U.S. small ships and was taken into the Houston refineries in the Gulf of Mexico. Well, as one can easily ascertain, the economics of that double handling is no longer efficient. As a consequence, they can bring in oil in the gulf and Houston refineries from South and Central America, offshore Louisiana, and Mexico as well, so they are not interested in taking the volumes of the United States oil which is no longer competitive in that market. That is the reason we have this excess on the west coast today.

Now, letting the Pacific rim market absorb the excess oil also deserves a brief explanation. First of all, we are not talking about very much oil. The excess is estimated to be somewhere between 75,000 to 200,000 barrels per day. The rest of our 1.6 million acres is consumed on the west coast refineries and will continue to be. So if one looks at the economics of this excess oil, it is a pretty tough set of facts, because it will have to compete on some rather difficult terms. I ask the Chair to just compare the costs of marketplaces such as Korea, Japan, and Taiwan, to take the oil from Alaska, shipped in United States-crewed tankers that operate at obviously much higher costs, when those same countries can bring in oil much cheaper in foreign tankers than they can bring in oil from the Mideast.

So there you have an analysis of the economics associated with the merits of getting some of this excess oil off the west coast. But the real concern is the stimulation of oil production in California and bringing on the small producers that have been down for some time. And once this excess is removed, you have the capability of this relatively large volume of small producers being able to bring their oil in because of the close proximity and reduced transportation costs associated with bringing that oil into the California refiners.

So there you have the real issue before this debate. Alaskans, of course, are sensitive to the significance of sovereignty as it applies to what a State produces in the free market system, having the capability of making a determination of just where those resources will be utilized.

Furthermore, Mr. President, I have some more detail that I would like to present to substantiate our concerns over this legislation. I think the best way to do it is to go into some detail relative to the background associated with the support for this legislation.

Last year, for the first time, imports met more than half of our domestic consumption because the domestic production has drastically declined. By precluding the market from operating,

the export ban has had an unintended effect of discouraging further energy production.

With this market disorientation eliminated, producers would make substantial investments in California and the North Slope that would lead to additional production.

Every barrel of additional oil produced in California and on the North Slope is one less than would have to be imported from the Middle East or elsewhere in the world. As I have said before, Mr. President, Washington and California are the natural markets for crude. Washington and California ports are closest to Alaska, and the ANS crude will continue to be supplied to their refiners.

It simply no longer makes economic sense to handle the oil as many times and transport it the long distance that has previously been the disposition of that oil on the west coast of the United States. That is the oil that we are talking about. That is the excess.

Let me refer to a report from the Department of Energy that addresses this issue. Lifting the Alaska crude oil export ban would, one, add as much as \$180 million in tax revenue to the U.S. Treasury by the year 2000. It would allow California to earn as much as \$230 million during the same period. It would increase U.S. employment, U.S. jobs, by some 11,000 to 16,000 jobs by 1995 and 25,000 new jobs by the year 2000. It would preserve as many as 3,300 maritime jobs. It would increase American oil production by as much as 110,000 barrels a day by the year 2000. It would add 200 to 400 million barrels to Alaska's oil reserve.

Now, Mr. President, these are not figures that have been put together by the Senator from Alaska. These are figures released by the Department of Energy.

Mr. President, as we address further consideration of the issues covering Alaska's oil export, I think we have to again rely on the credibility of the information. I was very pleased that the Department of Energy did such an exhaustive study relative to this issue, before the administration took a position.

I am pleased to say that the President of the United States supports this legislation because this legislation is good for America. It is good for America because it decreases our dependence on foreign imports. By so doing, we basically keep our dollars home and keep our jobs home.

As a consequence, Mr. President, we find that this report by the Department of Energy, in substantiating our efforts, keeps America in a position of ensuring that we can, through the incentives offered by this legislation, keep our production again flowing from marginal wells that previously have not been capable of being competitive in the marketplace.

I am told that several fields in Alaska adjacent to Prudhoe Bay that are currently marginal at this time would be brought into production. When one

begins to add up all the benefits of this, why, clearly, it benefits the maritime industry as well.

As a consequence, Mr. President, I note that the maritime unions, without exception, support this legislation. As a consequence, they are urging Members to evaluate the merits of the legislation before this body.

I have already addressed at some length the issue of increased oil production. I want to talk very briefly now as to the position of the administration in supporting the lifting of the North Slope crude oil export ban. Inasmuch as their indication that the bill, as proposed, should be amended to provide for an appropriate environmental review, now the question of an environmental review would be to allow the Secretary of Commerce to address anticompetitive behavior by exporters, and to establish a licensing system of some kind.

We have addressed those concerns in the committee amendment. Before making his national interest determination, the President would be required, under this legislation, to complete an appropriate environmental review.

In making his national interest determination, the President could impose conditions other than a volume limitation. The Secretary of Commerce then would be required to issue any rules necessary to implement the President's affirmative national interest determination within some 30 days.

If the Secretary later found that anticompetitive activity by an exporter had caused sustained material oil shortages or sustained prices significantly above the world level, and that the shortages or high prices caused sustained material job losses, he could recommend appropriate action by the President against the exporter, including modifications of the authority to export.

Under Senate bill 395, the President would retain his authority to later block exports in an emergency. In addition, Israel and other countries, pursuant to an international oil sharing plan, would be exempted from the United States flag requirement. The compromise also would retain a requirement of an annual report by the President on the ability of the refiners to acquire crude oil, and a GAO report assessing the impact of ANS exports on consumers, independent refiners, shipbuilders, and ship repair yards.

Now, Mr. President, let me be specific on some of the principal benefits. The principal benefit, of course, is increased oil production. The Department of Energy, as I have stated, projects Alaska and California production will increase by 100,000 to 110,000 barrels per day by the end of the decade. Thus, by the end of this decade, exports would stimulate an additional 36.5 million to 40 million barrels per year.

And it would create energy sector jobs. Specifically, some 25,000 jobs on

the west coast, as well as an undetermined number in Alaska. Revenues for the Federal Government, according to the Congressional Budget Office scoring, raising \$55 million to \$59 million over 5 years. It would raise State revenues.

Using different assumptions, the Department of Energy concluded that the ANS exports would generate up to \$1.8 billion in revenues for California and Alaska by the end of the decade.

It would decrease net import dependence. It would reduce, as I stated, tanker movements by stimulating onshore production in California. Enactment of the bill would actually reduce tanker movements off the California coast, and it would preserve repair opportunities by helping preserve the independent fleet that otherwise would be laid up for scrap.

The bill would provide shipyard repair work for shipyards in Portland, California, and others, that would be lost with the death of the fleet.

So, the importance of continued production from Alaska is absolutely vital to the continuity of America's merchant marine. And the fact that this legislation would provide relief for the excess oil speaks for itself.

Let me now draw your attention to some charts that I think explain this in detail, so we will have a little better understanding of just what the issues are before us. This is the area in Alaska. I wonder if I could have the staff provide me with a pointer, if there might be one available at this time, so I can continue my presentation? I think it will be a little more beneficial to have it.

What we have here is a chart that depicts in detail the disposition of Alaska's north shore crude oil.

Let me give this to my associate over here and perhaps he can point out where the oil begins, the production area in Prudhoe Bay, which went into production in the 1970's. An 800-mile pipeline was built across the breadth of Alaska. At that time that pipeline was one of the engineering wonders of the world. It was first estimated to cost somewhere in the area of \$900 million. By the time it was completed, it was somewhere in the area of \$7 to \$8 billion. There are numerous pump stations along the 800 miles of pipeline. The terminus is the Port of Valdez, and that port handles 25 percent of the total crude oil that is produced in the United States.

Let us look at the destination of this oil. Alaska, my State, consumes 70,000 barrels a day in three relatively small refineries. That oil is used in our State for jet fuel, for heating oil, diesel, gasoline, and other purposes.

Then, first of all we ship from Valdez to our neighboring State of Hawaii directly, in U.S.-flag vessels, some 60,000 barrels per day. That is utilized in the refinery outside of Honolulu.

The second route is a rather curious one. This was by congressional action, where we authorized a small amount of

oil to go in foreign-flag vessels to the Virgin Islands, to the refinery at St. Croix, that is the Amerada Hess refinery in the Virgin Islands which is currently under U.S. flag, obviously, but is not considered a U.S. port in the interpretation of the Jones Act. Some 90,000 barrels of oil go that great distance around Cape Horn, the southern point of land of South America.

Then we go to the next half circle. This is the oil we are talking about allowing free market flow, to be exported. This is oil that moves down to Panama. The reason it moves to Panama is, simply, these tankers cannot go through the Panama Canal, so they built a pipeline across Panama, and it goes to the gulf coast.

As a consequence of developments in Colombia, which is down below, developments in Venezuela and other areas, including Mexico, the economics of moving this Alaskan oil this great distance, unloading it, moving it across the pipeline and loading it again, and taking it into the gulf coast, when other oil is available, as I have stated, from Central America, South America, and Mexico to the gulf coast—it is simply no longer competitive. So we have this excess of some 75,000 to 200,000 barrels a day.

Let us look at where this oil goes, remaining, in the larger areas. The State of Washington receives some 440,000 barrels per day from Alaska. A good portion of Washington—I would say somewhere in the area of 95 percent of Washington's consumption is Alaskan oil—as it should be because of the proximity.

The rest of the west coast, down in California where we have, in the San Francisco area and Los Angeles area, large accumulations of refined product. I am told California is currently consuming about 770,000 thousand barrels a day. I am very pleased to note the Senator from California, Senator FEINSTEIN, is with me on this legislation to allow this export, because she and other Californians recognize the significant impact of relieving this excess, what it would do to stimulate the small operators, and for the creation of new jobs.

So that is where the oil goes. I just want to make one more point. As Alaska oil declines, the obvious alternative is for these areas to look toward imported oil. That imported oil would not be in U.S.-flag vessels. It would come in, in foreign vessels, as some of it currently does to California and, to a smaller extent, the State of Washington. So that is where the oil goes. It goes in U.S.-flag vessels.

What we are talking about, if this legislation is approved by this body, and we do move that surplus out, is a chart very similar to the this one, although you will note there is no oil moving through the Panama Canal. We should have included the Virgin Islands as continuing to receive their oil, which they will.

But the point is the west coast—Washington, Oregon, California—clear-

ly are going to receive the same amount of oil. Hawaii will receive the same amount of oil. And this excess that previously went down here is going to be available in the Pacific rim. We have no idea what the dictate will be, other than it will have to go in U.S.-flag vessels and we have reason to believe that those countries have an interest in this oil because of its viscosity and it will be acceptable in the marketplace.

Mr. FRIST assumed the chair.

Mr. MURKOWSKI. Let us see what we have next. These are some rather interesting charts. I talked some time ago about refined gasolines and the price relative to the east coast and west coast. Of course, the east coast is dependent on oil coming in from various places around the world. Virtually no Alaskan oil comes on the east coast. It is oil that comes from Central America, Venezuela, the Mideast, and other places. What we have is the average wholesale price of unleaded regular gas from California versus New York.

We notice in 1985, California was slightly higher than New York; in 1986 the margin was again substantially higher, 4 cents a gallon; in 1987 it equalized; in 1988 it equalized. Then, in 1989 we found that New York was higher. In 1990 we found New York was higher. In 1991 we found New York was higher.

One would expect the east coast to have higher costs simply because of longer transportation to market, bringing that oil in through the Mideast and other areas.

Then, in 1992 we saw a rather curious change. In 1992, we saw New York at 66 and California at 69.

When I say California, I am talking about the entire west coast average as opposed to a specific State. When we are talking about New York, we are talking about the entire east coast.

In 1993, we saw a differential gain where it was more expensive on the west coast than on the east coast. In 1994, again we saw 57 compared to 60.

So the point is that California was higher in the wholesale price of unleaded regular gasoline. When one considers that we have had a surplus of oil on the west coast, during that time that we have close proximity from the standpoint of Alaskan oil coming down to the refiners, one may begin to question why that is the case.

This chart attempts to compare—unfortunately, we could not get more current figures than 1993—the refiner growth margins in 1992 dollars per barrel. This chart was a consequence of information that was provided us by the Department of Energy. It lists PADD V average, which are the distributors of the west coast U.S. refiners. It shows their growth margins vis-a-vis the U.S. average. As one can see, the west coast gross profit margin per refiner is rather interesting in comparison to the rest of the country. I have no hesitation to

point out that the business community is entitled to what the traffic will bear. But it is interesting to see comparisons of one part of the country vis-a-vis another.

This chart actually belonged to the one earlier when we were comparing New York and California or the east coast vis-a-vis the west coast. But as you can see, the spread lengthened over here in 1992 when California wholesale price exceeded that of the east coast price. Maybe we will have a chart that will give us a little further explanation.

I would like to defer a little bit to address a concern that we have in Alaska. It is evident as we address future years. Clearly, you can see the projections of Alaskan North Slope production. We are here in 1995, and we are somewhere around 1.6 million barrels per day. That production, if you will look at the light gray, continues to decline. So this shows how, if we can significantly reduce the decline in the Trans-Alaska Pipeline oil production, the pipeline will be economically viable for a longer period of time. That is what we are talking about here, trying to bring this margin of reserves on line and provide more jobs and import less oil, all of which I think everyone would agree makes good sense and is in the national interest of our Nation.

We have had discussions that would suggest that Alaska North Slope exports will increase consumer prices at the gas pump. The reality dictates otherwise. The Department of Energy I think carefully studied the issue and found that the consumers would not see any discernible increase in the price at the gas pump. The Department of Energy showed that the west coast refiners, as I have shown on the chart—this is the Department of Energy talking—enjoyed the widest refiner growth margin in the country. West coast refiners are buying crude oil for less per barrel than anywhere in the country. Yet, they are selling their gasoline and other refined products for more than anywhere else in the country. Wholesale gasoline prices, as I have said, in California are consistently 3 or 4 cents higher than in New York.

Some say that energy production will not go up, that Alaska North Slope exports will not increase oil production in California and Alaska. Again, I would defer to the Department of Energy report which carefully studied the issue and concluded that oil production would increase by 100,000 to 110,000 barrels per day by the end of the decade. Both California independents and British Petroleum testified on March 1 that they expect substantial production increases in California and Alaska.

Some believe that there will be an increase in oil spills if ANS crude is exported. The reality is that the DOE carefully studied the issue and found that the exports will actually reduce tanker traffic in U.S. waters, especially in California as a result of the increased on-shore production.

Furthermore, any tankers exporting ANS oil exported from Alaska will proceed as I have said to cross the ocean and not along the shore.

Mr. President, I think the Senator from Alaska—I would be happy to yield to the Senator from Alaska, if I may retain my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mrs. MURRAY. Mr. President, parliamentary inquiry: Does that take a unanimous-consent?

Mr. STEVENS. Will the Senator use the microphone, please, so we might hear what she is saying?

The PRESIDING OFFICER. Unanimous consent is required.

Is there objection?

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Alaska has the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the President.

I am saddened to see the opposition that is coming to the proposal to deal with the distribution of Alaska's oil in the fashion that we are facing right now. I am one of the few Senators who was here at the time the original Mondale amendment passed that restricts the export of Alaskan oil. I remember commenting on it at the time that I did not think we would ever sell Alaskan oil to Japan. At that time, we were working on a theory that would have established a crude stream internationally so that Alaskan oil would not be sold to Japan but it would be delivered to Japan, the Saudi Arabian oil would not be sold to our east coast but it would be delivered to our east coast, that we would reduce the transportation distance for tankers on the oceans of the world by establishing a crude stream theory, that the crude oil would be delivered to the closest port where it could be utilized, and the sales would take place through arrangements that were made throughout the world with accommodation being made to every producer for the savings on transportation. We were never allowed to establish that concept for a lot of reasons.

Just as we still have in place in Alaska the Jones Act that restricts transportation to Alaska of all goods and services from Seattle and other places in American-built ships, we are the only place in the United States where the export of oil is prohibited, and it is only prohibited really as far as the oil that is transported in the Alaskan oil pipeline. I have always said it was unconstitutional. I would invite anyone to read the Constitution. It is not constitutional to require that the products

of one State be exported only through the ports of another State, and that is exactly what happens to Alaskan oil. Alaskan oil goes to the west coast; it goes to Washington; it goes to Oregon and California, and it is refined there and then the products are exported. They do not consume our oil. It is amazing to see this kind of reaction. I wonder what would happen if we said that the corn produced in Iowa can only be exported through a Chicago exporter. This is the same kind of restriction. It makes no sense.

Interestingly enough, the author of the amendment that originally led to this prohibition is now the United States Ambassador to Japan, and he is seeking the removal of the prohibition, as I understand it. We come to the time now where the question is whether there can be an exception made for the export of Alaskan oil in U.S.-made vessels, U.S.-manned vessels, entirely in accordance with the current situation, and have some of the surplus oil that has been developed on the west coast be exported.

At the time we passed this amendment, the projections were that what was then known as district 5, the west coast, would be short of oil during this period. To the contrary, because of other imports that are coming into the west coast, there is a surplus of oil in southern California and along the west coast in general. It now appears it would be to the best advantage of our Nation if there is this authority to export a portion of the oil that comes through the oil pipeline.

Mind you, Mr. President, that will not apply to any oil discovered in Alaska that is now transported through the Trans-Alaska oil pipeline. It was one of the conditions we had to agree to at the time we got the Trans-Alaska Pipeline, authorized by one vote, I might add. It was the vote of the then Vice President which broke the tie that developed when we considered the Alaskan oil pipeline amendment to the Right-of-Way Act, when that act was originally passed.

I find myself in the strange position of wondering why, after so many years, we still have this opposition to Alaskan oil production. It is a strange thing that the area of the country that has benefited most, more than Alaska has ever benefited—Seattle, WA, and Washington State have benefited more from Alaskan oil production than we have in terms of jobs and in terms of basic income—it does seem to me it is an odd thing that there is opposition to having it go where market forces would take it. I wish we could go back to the concept of the crude stream that we were working on at that time. It still makes no sense to me to see Middle Eastern oil go around the horn or through other mechanisms to get to the Far East, travel all that distance on the oceans by tanker, and have Alaskan oil reverse that and go down the west coast and through the pipeline

and up into the east coast of the United States.

That is the system which was brought about by the Mondale amendment that prohibited the export of oil from the United States that had been transported by the Trans-Alaska oil pipeline. I do think it is time we recognize that is an unconstitutional restriction on the export of oil from Alaska only, and remove the obstruction to the export of that amount that would be exported in American-flag vessels.

Now, Alaskans do support the concept of American-flag vessels. That is, we like the idea that the American-flag vessels are the vessels that come to the Prince William Sound to receive Alaska's oil for transport. This is a period of time, I think, when we have to recognize that the maldistribution has led to a strange pricing system on the west coast and clearly it will be in the best interests of the United States if we modify this law now.

I was most pleased to see the vote on this bill, the amendment to this bill, as it came from the Energy Committee, and I congratulate my colleague and good friend, Senator MURKOWSKI, for the work he has done in shepherding this amendment through the committee and to the floor. This was really the subject of the bill that Senator MURKOWSKI and I introduced. S. 395 was introduced in February of this year, and the bill has, for all intents and purposes, been added to the bill which deals with the subject of the Alaska Power Administration sale. This is an amendment that I think is timely, as I said. We are now in a situation where the pricing of oil is changing drastically. I am sure we have all read the forecasts that are coming now. There is no question that the concepts of the projections that were made in the 1960's when we considered this Alaska oil pipeline originally have not now been proven accurate.

I do believe that conditions have changed. They have really improved to a great extent. In 1978, world crude reserves were estimated to be 649 billion barrels. But last year, the reserves that had been proven reached 1,009 billion barrels. That is a 55-percent increase in the world's known reserves of oil.

As a consequence, prices have reflected that increase in reserves. The oil price has dropped. If you put it on a deflator basis and carry it through from the times we were debating this basic Mondale amendment, oil prices are substantially lower than they were then, even at today's nominal values.

I do believe the Senate ought to take note that even the Washington Post reported last year gasoline has never been cheaper than it has this year compared with what people pay for other goods and services. In other words, the distribution system for oil has changed with the discovery of reservoirs for production of oil throughout the world. We have maintained a protection against a sudden shortage or stoppage

such as we had at the time we had the Arab oil embargo. We now have a strategic petroleum reserve that has about 600 million barrels of oil. We have other reserves under the control of the Federal Government. There is no reason for us to have a prohibition against the export of Alaskan oil based upon a worldwide shortage of reserves.

That is also what was talked about back at the time the Mondale amendment was approved. We thought we were running out of oil and oil was so finite it would not meet the demand of the industrial economies over the period ahead, so there was a necessity, they felt, to maintain the oil to be produced from Alaska's North Slope for U.S. markets.

Those U.S. markets have been satisfied now, many of them, for years, from oil from outside the United States at a much lower price than any oil is produced in the United States. And that is why we are buying it from overseas.

I do not support the concept that we should not have a basic oil and gas industry in this country to produce oil and to meet our needs. I do think we should do everything we can to stimulate that industry so it has the productive capability to meet our needs and to continue, along with the strategic petroleum reserve, to meet our needs even in times of crisis or embargoes against our purchase from offshore.

There is no question that the production of Alaskan oil has changed the overall structure of oil pricing for the great benefit of the United States, as a matter of fact. We have had considerable impact on the pricing from abroad, and I think that will continue.

This is not a bill to bring about the total export of all production of Alaskan oil. It is to allow exports on the basis of them being transported out of the United States by American-flag vessels at considerable cost difference to the prices paid for transportation by foreign producers of oil that are bringing oil into the United States.

I think that at this time right now, when we need to spur the creation of jobs in the United States, this is a good way to do it. If Congress approves this oil export legislation, we believe it will spur the creation of new jobs, spur energy production, and raise revenues for both the Federal and local governments.

Small, independent, and other oil producers, maritime labor, and independent tanker owners hope Congress will enact this bill as quickly as possible, because they have told us just that. It will create jobs. It will give an incentive to additional energy production and raise Federal and State revenues and enhance our basic economic security.

I think that energy security is a subject we ought to explore sometime. This is part of that concept of spurring the economy to go further into exploration and discovery of oil. In particular, I think it will spur the restoration of the stripper oil wells in the

southwestern part of the United States. The Department of Energy has concluded that if we do export a portion of Alaskan oil, it would result in a substantial net increase in U.S. employment, stimulating about 25,000 new jobs by the end of the decade.

As we review this bill, I hope people from throughout the country will understand that approving it will mean that Congress has taken action to preserve the independent tanker fleet and to maintain the thousands of skilled maritime industry jobs that will be required as we go into this new phase of distribution of Alaskan oil, and it will be done at no cost to the taxpayers. This is a segment of the American merchant marine. They face a bleak future unless there is a stimulus to export some of this oil. The Alaska North Slope exports will help solidify the demand for this tanker fleet.

The act of Congress making these exports possible, the Department of Energy has concluded, would raise royalty revenues for the Federal Government and tax and royalty revenues for the States of Alaska and California. Federal revenues are projected to increase by \$99 billion to \$180 billion in terms of 1992 dollars between 1994 and the year 2000. The Congressional Budget Office [CBO], has told us that this legislation will raise a net revenue of \$55 million. It is a revenue-sound proposal.

By lifting this ban, Congress will, as I said, restore demand in California and in the Southwest region of the United States. The Department of Energy projects that oil production will increase by at least 100,000 barrels per day by the end of the decade in that part of the country. That is because the independents face a squeeze in terms of the price, due to the fact that there was an excessive amount of oil in southern California, in particular. And the stripper wells, the small producing wells, have gone out of production.

We believe that, by giving an incentive to produce, it will bring these new jobs and will give us the chance to have a signal from Washington that we believe enhanced drilling activity should take place in that part of the country and create new jobs in the area.

There is very little, if any, impact of this proposal on the east coast or the gulf coast of the United States. The oil has been going through the Panama Canal pipeline, the oil that would be exported, and there, too, the markets that the Alaskan oil goes to now have a surplus of oil due to the increase of imports in the United States from the Middle East and other parts of the world.

My point, Mr. President, is that this is a different oil world than we had when we considered the Alaska oil pipeline amendments in the 1970's. There is a much greater reserve of oil worldwide, a proven reserve, and there

is a much different distribution pattern. The effect of the current distribution pattern is we have created surpluses on the west coast where, at the time, we had projected that there would have been a shortage if it were not possible to limit Alaska's oil production to distribution to south 48 demand only.

The administration has supported this bill. The Senate Energy and Natural Resources Committee is in support of this legislation. I think we should act on it as soon as possible.

The difficulty that I have, really, with the bill is it should have happened a long time ago. We have tried at times to remove this prohibition. As the Senate knows, over the years, we had a series of votes on the subject, and always the opposition came from the same source.

I hope that the Senate now, with new information, with support of the Energy Department, with the administration's overall support of the legislation, with the concept of American industry now understanding what it means to them—we now have support from the west coast industries; we have support from the independent tanker operators; we have support from the maritime unions; we have support from the maritime industry in general; and we certainly have support from people who understand what this will mean in terms of restoring jobs along the west coast, as I said, an estimated 25,000 jobs—will support this legislation.

This bill also has the sale of the regional Power Marketing Administration, as originally proposed, strangely enough, about the same period of time that the Alaskan oil pipeline amendments were adopted, as offered by Senator Mondale, which restricted the export of oil transported through the pipeline. The administration at that time recommended that the Alaska power authority be sold.

We still are working toward getting that approved. The sale of these assets will generate between \$1.6 and \$4.9 billion in terms of the Department's sale of the regional power marketing administrations. We now have Alaska's marketing agency, a portion of a national plan, and I am hopeful that the Congress will approve the national plan, which will go ahead with the recommendations I originally made to the Senate in behalf of the administration in 1973.

I think that this will reduce, by the way, the responsibilities of the Department of Energy. There will be a substantial reduction in cost to the taxpayers to maintain these regional power marketing administrations, and it makes sense for us to do this now, to take advantage of the circumstances that exist throughout our country and take the Federal Government out of the business of running regional power marketing administrations.

On permitting export of Alaskan crude, there has been this glut that has been created on the west coast. It

keeps the crude oil price artificially low. It has meant, as I said, the small stripper wells, even some of the medium-sized operators, have gone out of business. They have had no incentive to develop new reserves or to really reach out in wildcat areas of great promise.

We believe the Mondale amendment has brought about a dependence upon the southwestern area of the United States on cheap oil that comes about because of the cost of transporting that oil beyond California down to Panama through the Panama Canal pipeline, onto another tanker and taken up to a market someplace in the south 48 States in the eastern part of our country.

The result of that long trip for the Alaskan oil to reach a market, under the prohibition against export, cannot be sold except in the United States, is that the sales have been taking place in California far below the market price of oil. It has established, as I said, a glut of oil on the west coast. It has kept the prices there so low that they have lost their own industry. We now feel that the California people understand that the result has not been good for that State nor for the Nation. We need the ability to produce from the areas that have capability of producing oil in times of crisis when there is a stoppage, when there is a shortage, and this bill before us now will give us that incentive.

The Department study that was released in June 1994—I am sure my colleague has talked about it already—has indicated that this will be the case. It has been tested in many places. I do not see anyone discounting the study that was made by the Department of Energy that led to the conclusion that it was in the national interest to pass this bill. There are a few local spots where there is a willingness to prevent the enactment of legislation in the national interest because of some special or private interest on their part. That was an interest that was created, in my judgment, by an unconstitutional provision to begin with, one that should be eliminated. If I had my way it would be a bill to eliminate it altogether.

But this legislation will give authority to export under specific conditions. It is a concept that would be consistent with the American merchant marine concept of requiring that our oil be exported in American-flag, American-crewed, American-built vessels. I do believe there is a great benefit to the American people as a whole. It is a step that should have been taken a long time ago.

It is an interesting thing, I think, to go back and examine some of the history of Alaska's oil industry, Mr. President. When we were seeking statehood, there were a great many people who opposed statehood for Alaska because they said such a vast area could not afford self-government. And so a series of people made suggestions as to how we might be able to finance our

own future, and one of them was to increase the amount of land that Alaska received as compared to other States.

The State received from the Federal domain section 16 and 34 out of every township. They had to wait until those townships were surveyed, and we find the strange situation that California still is waiting for a substantial amount of its land, and Utah also and Nevada, because the lands have never been surveyed. When we looked at the situation for Alaska, when we realized people were willing to allow Alaska to have a greater land grant, and we did obtain a greater land grant, Mr. President. Congress approved the transfer of 103.5 million acres to Alaska out of our 375 million acres. What we did, however, is we permitted Alaska to select its land from vacant, unappropriated, unreserved lands, and the net result was that we had the opportunity to decide the lands we wanted for our future.

The difficulty developed in what we call (D)(2), section 17(D)(2) of the Alaska Statehood Act required us to have a study of the portions of our State that should be set aside in the national interest. We then proceeded to produce what is known to us as ANILCA, Alaska National Interest Lands Conservation Act.

That lands act restricted our right to the lands we could have and required a substantial portion of Alaska to be set aside in national withdrawals and no longer available to us for selection.

In the process, unfortunately, we have gone back to, again, a real delay factor in the surveying of lands that we have selected. The last time I had an estimate, it would be 2050 before all of the lands we have selected are surveyed and the native lands, Congress subsequently passed an act which confers on Alaska Natives a substantial amount of land, almost 45 million acres of land, in satisfaction of claims against the United States for the taking of their lands at the time Alaska was acquired from Russia.

The reason I mention these delays, Mr. President, is that we have a series of sedimentary basins in Alaska that are capable of producing oil or gas. Only three of them have been drilled so far. I believe there are 17 of them—I think 15 of them are onshore—that are capable, these areas are capable of producing oil and gas. This bill before us has nothing to do with additional exploration or use of Federal lands, but if you just look at the lands that the State of Alaska has, the lands that the native people have a right to under legislation that has been passed by Congress previously, the great difficulty that we have is establishing a mechanism for transport of that oil to market, and beyond that establishing a demand for it.

As long as there is a surplus of oil on the west coast, I do not perceive that there will be a demand for development of the oil and gas capability of the State of Alaska lands or Alaska Native

lands. But I do believe that if we can have a bill such as this passed and have that glut be removed and restore the incentive to the industry to explore for and develop oil in the promising areas of the west that are not on Federal lands, they are not in any way restricted by Federal Government policy, then I think we will have a different future for our State.

That was the intent of the people who brought about the amendments to the Alaska Statehood Act to increase the amount of land to be given to our State. I think that our State, in surveying the lands that we would select, tried to select the lands that had potential resource value.

However, that resource value is really not predictable now because of this glut of oil. No one really wants to put money into developing oil and gas opportunities on Alaska State or Native lands so long as there is an existing restriction on the export of oil produced in those slopes.

Incidentally, that oil is produced from State lands. Many people think the oil is from Federal lands. The State of Alaska owns the land from which the Prudhoe Bay oil field is produced. We view it as an unconstitutional restriction on our State's powers to have this restriction against the export of oil produced from lands owned by the State of Alaska.

Again, one of the things that makes us so interested in this legislation is the future viability of the lands that we own. Those lands are valuable for oil and gas, and I do believe we will see the day, when this bill passes, that the independent oil industry will come to Alaska and start inventorying these potentials because of the fact that there will be a potential increase in demand for the oil and gas from our State.

We are in a very strange circumstance here, apparently, and that is that we want to try to get this bill to a vote. I, particularly, very much would like to see that.

Mr. President, I am having a little discussion with staff as to the accuracy of a comment I made. My memory is that it was the Mondale amendment. My staff says the amendment that was finally enacted by the Congress at the time was the Jackson amendment—the amendment that was finally adopted by the Senate in July 1973. They are right. But I am also right that it was Senator Mondale that raised the subject. I had a debate at length with him at the time, and his amendment was subsequently modified by the former Senator from Washington. It was the Jackson amendment that finally passed. The initiative for the restriction on the export of Alaskan oil originated with Senator Mondale. I have, since that time, called it the Mondale amendment. If I have offended anyone by having so referred to it, I am sorry about that. But there is no question that we discussed at length with Senator Mondale the proposal to restrict

the export of oil. I do recall at the time that in order to offset Senator Mondale's proposal, I introduced an amendment which would have prohibited the export of oil from any State in the Union, which I think would be within the constitutional powers of Congress. I did not pursue that, and although Senator Jackson opposed the basic Alaska pipeline amendment, he was the one that did offer the amendment that was adopted. It was the amendment that currently is in the law as far as the exporting of Alaskan oil. I hope those on my staff are satisfied.

I see my colleague is back. I might say to him, Mr. President, that I do hope that the bill will pass. And as I have said in the Senator's absence, I believe as chairman of the Energy Committee, you have done a great service for the country, for California, and for our State in bringing this subject to the floor in a positive way. I hope other Members of the Senate will address the report he has presented and show the support that we have for the concept now. I do hope that there is an overwhelming vote in support of the bill that we have before us to bring about both the sale of the power administration, as well as to enable the export of Alaskan oil under the circumstances described in the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI], is recognized.

Mr. MURKOWSKI. I thank my senior colleague from Alaska regarding his comments on this very vital issue, which is important not only to our State but to the Nation as well.

Mr. THOMAS. Will the Senator yield for a question?

Mr. MURKOWSKI. I am happy to yield without losing my right to the floor.

Mr. THOMAS. I have a couple of questions that refer to both aspects of the bill.

First, the power marketing agency. It is my understanding that there is a uniqueness to this power marketing agency; for example, the Western Area Power Administration that is in the West, in that instance, it serves a number of States and different municipalities in a great many uses. It also does not have the generating facility but simply the distribution facility. So it is my understanding that in this bill the Alaska Power Authority is substantially different in composition, is that correct?

Mr. MURKOWSKI. The Senator from Wyoming is correct. These two power marketing associations are separate. They are not connected. The distance between Snettisham and Juneau and Anchorage is 600, 700 miles, so they are not dependent on one another. The provision for the sale—unlike other Federal marketing administrations, the Alaska Power Administration owns its power-generating facilities and hydroelectric projects. It was never con-

templated that these two relatively small projects remain under Federal determination. It was the considered opinion that once they were up and operating, the contribution to utilize the tremendous hydro potential, even though it is a very small percentage, that they be disposed of, and as a consequence, we have been working with the administration in the State of Alaska to achieve this. We feel that the support base is there and, of course, the fact that the Department of Energy and the administration support this, I think, is evidence that we have a constructive proposal here.

Mr. THOMAS. I thank the Senator. With respect to the oil export portion, I recall the hearings that we had in the Energy Committee. I ask the Senator if it is not true that we had substantial testimony, not only from Members of Congress from the California delegation, but also representatives of the private sector that dealt with this whole business of seeking to develop and encourage the domestic oil market, as is the case in Wyoming. We have been very much affected by that. There have been nearly half a million jobs lost in the domestic oil industry over the past 10 years. We now have, of course, the highest imports that we have had for a very long time—the highest ever, I believe. And the testimony, as I recall, was that the opportunity to export some of the oil from Alaska would strengthen the domestic oil industry, which would result, I think, in more jobs not only in Alaska but perhaps in other parts of the country as well.

There was testimony about the assistance to the oil production aspect to the California economy, as well, of course, as providing an opportunity to strengthen the domestic industry as a matter of national security. That seemed to me to be the tenor of the testimony. I ask the Senator if that is the impression that he had?

Mr. MURKOWSKI. Mr. President, yes, the Senator from Wyoming is correct. As I recall specifically, the Department recommended in their Department of Energy report to the U.S. Treasury that by the year 2000 that would be approximately \$180 million in tax revenue to the Treasury and there would be an increase of employment by some 11,000 to 16,000 U.S. jobs immediately, and by the year 2000, 25,000 jobs.

I think that was evident in the base of support that was evident when the vote came out of the committee, 14 to 4. The Senator from Wyoming will recall, Senator DOMENICI, Senator NICKLES, Senator CRAIG, Senator THOMAS, Senator KYL, Senator GRAHAM, Senator JEFFORDS, Senator BURNS, Senator CAMPBELL, Senator JOHNSTON, Senator FORD, Senator BRADLEY, and Senator BINGAMAN voted to vote out of committee the issue of the oil export relief, as well as the proposal on the Alaska power authority. I think the jobs issue was well covered in that report.

Mr. President, I would like to refer to an article that appeared on February 22, and it appeared in the *Seattle Times*. I think it was an editorial or an op-ed. It was a column, in any event. It suggests a number of reasons why it might not be in the national interest to continue the restrictions on the export of Alaska's North Slope crude oil.

I feel that the facts as confirmed by the U.S. Department of Energy report, the General Accounting Office, and other objective sources show that the export of ANS crude oil on what has been agreed upon, that is U.S.-flagged and U.S.-crewed vessels would, indeed, create jobs, increase our energy production, and as a consequence our national security, and increase Federal and State revenues.

Now, in that particular column there was a reference to the Senator from Washington that suggested that exports would "not meet the statutory test designed to protect broader national interests." Further, exports would "seriously hurt consumers, jobs, and the environment in our own State."

Again, I would refer to the comprehensive June 1994 study by the Department of Energy which concluded that exporting ANS crude oil on U.S.-flagged vessels would, one, again add as much as \$180 million in tax revenue to the U.S. Treasury by the year 2000; two, increase U.S. employment by 11,000 to 16,000 jobs immediately and by 25,000 jobs by the year 2000; third, preserve as many as 3,300 maritime jobs; fourth, increase American oil production by as much as 110,000 barrels a day by the year 2000; fifth, probably decrease crude oil tanker movement in U.S. waters; six, have minimal or non-existent effect on prices to consumers, since the benefit of the current subsidy to west coast refiners from exports is not shared with consumers of refined products.

Now, the statement in the article indicated and was referenced to the Senator from Washington that "over the years Alaska North Slope crude oil has fueled Washington State. Ninety percent of our crude oil comes from the North Slope and our refineries are operating at 90 percent capacity. Today this secure supply of oil faces a threat."

The fact is, if exports are permitted, the Pacific Northwest will continue to be the closest market for ANS crude. Given the low cost of transporting oil to Puget Sound, there is no economic reason why any oil now going there be in jeopardy.

Even the Coalition To Keep Alaskan Oil, which is a rather interesting organization—it is an oil refinery-sponsored group, just a few refiners are supporting it now—is opposed to exports. They admitted in a paper last year that if exports were permitted, only the ANS crude oil surplus to the west coast requirements would be exported.

Excess west coast oil formerly went to Panama and was transported across

the isthmus for transfer to smaller United States tankers that moved the oil to gulf coast refineries. That process, which involved dual handling of the oil, is now prohibitively expensive given the low world price of oil.

Now, the article further attributes to the Senator from Washington that the North Slope has given us a reliable oil supply. Carried aboard U.S.-flagged vessels, the ships employ Washingtonians as crew members, and "the tankers, that transport Alaska oil are repaired in the Pacific Northwest. If export restrictions are lifted, this work will go overseas. We could lose 5,000 jobs within our own region and \$160 million in annual employment income. This is more than half of the maritime industry's total west coast employment."

That is not the case. The fact is that exports will aid substantially the maritime industry, and all North Slope crude oil would continue to be carried aboard U.S.-flagged vessels with American crews. Labor leaders representing 50,000 members have written the President supporting exports, stating that "ANS exports will create jobs, help maintain our merchant marine and encourage energy production."

Estimates of job losses are completely unsupported. Further, most of the U.S.-flagged tankers are lifted for repairs in yards currently in San Diego and, to some extent, Portland. The Portland shipyard being built in Japan and floated to Portland, portions of that yard have been facing financial problems.

I understand there is a competitive posture between Portland and San Diego. We have encouraged that consideration be given to the Portland bids. As a consequence, it is my understanding that there are two ships that are currently under contract to be repaired in the Portland yard.

Further, the article attributes the Senator from Washington saying,

More than 2,000 jobs at refineries, and Anacortes, Bellingham, and Takoma would be lost. Ninety percent of Alaskan oil is consumed by west coast refiners, and these refiners go into refineries as attributed to the Atlantic Richfield Company, Texaco Company, and Shell, plus independents such as Tosco and a smaller refinery, Summit Oil. Six of these refineries are in our State, the State of Washington, competing against foreign barges willing to pay premium prices. Industry experts predict our refineries will shut down or be forced to pay a premium price to keep their Alaskan supply or to purchase substitute foreign crude.

That argument just is not based on fact. The facts, the hard, cold facts, are that two of the refiners mentioned support exports—that is ARCO and British Petroleum—and we have evidence of that, which will be entered into the RECORD. And for Texaco, which has not taken a position on the issue, supply will be sure. In fact Tosco, one of the refiners, has a supply agreement with British Petroleum that offers, in Tosco's own words, "a reliable, economic supply of Alaska North Slope

crude oil for the next 5 years," although it is my understanding there are some 4 years to go on that contractual agreement. Foreign buyers have no reason to pay premium prices for Alaska crude, because they can get their crude oil elsewhere. As stated above, even export opponents have admitted at world prices for Alaska crude oil now going to Puget Sound, it will not be exported.

Some independent refiners have opposed exports because the market distortion created by the current restrictions allow these refiners to enjoy, according to the Department of Energy, "the largest gross refining margins in the world."

No credible evidence supports the assertion that, "If forced to compete in a world market like everyone else in the United States, any refiner would have to lay off workers."

Again, I remind my colleagues, one refiner in question, Tosco, already has a long-term contractual supply.

Further attributed to the article, the Senator from Washington states:

Tosco alone has predicted a \$1 per gallon increase if exports are permitted.

The fact is, the Department of Energy has concluded that the "economic benefits of export could be achieved without increasing prices either in California or in the Nation as a whole, and that the current subsidy to west coast refiners from exports is not shared with consumers of refined products."

The refiner, Tosco, in their 1994 quarterly report to the U.S. Securities and Exchange Commission stated that:

At the Ferndale refinery in Washington, refining margins average \$4.66 per barrel; retail margins continue to be strong, averaging 11 cents per gallon on sales of some 2.4 million gallons per day.

Tosco, of course, may be worried about losing this price advantage, but that will not hurt consumers or the national interest. It will continue to allow this firm to reap profits, which they are entitled to. But they are certainly not passing on any savings to the consumer.

It is kind of interesting to note why Washington State has some of the highest gasoline prices in the country while the refiners, including Tosco, have the highest profit margins between the price paid for crude oil and the amount at which they sell their refined product or gasoline. In the sense these refiners are closest to the point of the Alaska oil coming down from Valdez, these refiners are those that have the shortest shipping distance; as a consequence, the least transportation costs. But one might conclude the consumers in the State of Washington are certainly not recipients of the transportation advantage that is enjoyed by the geographic location of the proximity of the refiners to the Alaska oil supply at Valdez.

Further reference in the article by the Senator from Washington:

Since the Arab oil embargoes of the seventies, our reliance on foreign oil has not diminished and the arguments for retaining [that is, the oil export restrictions] remain strong.

The fact is that exporting Alaska's North Slope—ANS—crude would increase U.S. energy security by stimulating additional production, estimated by the Department of Energy at 100,000 to 110,000 barrels per day. This will reduce U.S. net oil imports.

The United States has already removed restrictions in place in the 1970's on petroleum product exports and on the price and allocation of oil, thus improving the efficiency of the market. Exports from every State other than Alaska are allowed if certain regulatory requirements are met. The effective ban on ANS exports is unique and discriminatory.

Further, the article makes reference to comments from the Senator from Washington:

With 99 percent of Alaska's crude coming through Puget Sound and 94 percent of this carried on U.S. tankers, foreign replacement oil would not only be more costly, but would be carried on more environmentally risky tankers. The U.S. Coast Guard rates as high-risk one-half of the current foreign tanker fleet that carries crude oil through Puget Sound.

The fact is, there is simply no basis to assert that the Pacific Northwest will need to import oil to replace ANS crude for the reasons already listed, or that foreign-flag tankers in Puget Sound waters are environmentally risky.

In fact, the Department of Energy has concluded that exports would "probably decrease crude oil tanker movement in U.S. waters." Further, virtually all the oil coming into Vancouver, BC, comes in through the Straits of San Juan, adjacent to the State of Washington and British Columbia, and it comes in foreign tankers. So there is a high concentration of foreign tanker activity already coming into the San Juan area, and some of its goes into Puget Sound as well.

Another contention is that British Petroleum Corp. would also save money by having its tankers built and repaired in foreign countries. The fact is that British Petroleum uses and would continue to use U.S.-flag, U.S.-built, U.S.-crewed tankers to carry Alaska crude because, Mr. President, they are a foreign corporation and cannot own U.S. vessels. It would make no economic sense for British Petroleum, or any other exporter, to reflag foreign-built tonnage to carry Alaska crude, when abundant U.S.-flag, foreign-built tonnage is already in existence in the trade.

The ban on the exports of Alaska North Slope crude oil simply makes no sense. Reality dictates that it creates an inefficient market that breeds extraordinary returns for a few special interests. And some of these, unfortunately, do not seem to be inclined to pass the benefits along to the consumers. Meanwhile, maritime and oil

industry jobs would be lost to this destructive trade restriction.

I am sure the Senator from Washington does not begrudge the fact that Alaska might benefit from lifting the ban, any more than the fact that Alaskans recognize activity in Alaska is very beneficial to the State of Washington. I would again suggest, even on this issue, what is good for Alaska is good for the State of Washington.

Our States are too close and too intertwined to believe that restrictions on each other's commerce will be good for one at the expense of the other.

Mr. President, there are some other items that I want to bring to your attention; that is, some of the charges relative to what the passage of this legislation would do.

Some have made the argument that as part of the original deal in 1973 to authorize construction of the pipeline, Congress saw fit to ban the ANS exports. Again, I think it is important to note that is not totally accurate. Congress did not ban exports in 1973. Instead, for the first time, it restricted all domestically produced crude oil, including ANS oil, to the same general export restrictions. At the committee's hearing on March 1, Senator STEVENS, one of the few Senators still sitting in this body today who actually cast a vote in 1973, confirmed that there had been no such deal.

Mr. President, there is a question of increased foreign oil reliance. The argument is made that by exporting ANS oil, we will increase our dependence on the Mideast and other foreign sources of oil. The reply to that is quite simple. The Department of Energy concluded that enactment of the legislation will decrease our net dependence on imports by spurring additional domestic energy production.

We have heard the concern expressed from time to time about the potential that refinery workers would lose their jobs because refiners would have to pay more for crude oil. Yet, again in response, the Department of Energy concluded that independent refiners on the west coast have such high gross operating margins that they will be able to absorb any increased crude oil acquisition costs without significant job losses. And as the chart that I previously showed, based on the figures at hand, clearly there is justification to understand that is indeed the case.

There is a question of lost work to foreign yards that would provide repairs. The argument has been made that once exports are authorized, the tankers in the Alaska oil grid will all be repaired in those subsidized foreign shipyards permitting domestic ship repair yards to be no longer economic.

Tankers in the Alaskan oil trade are free to go abroad for repairs today. They rarely do, however, because foreign repairs are subject to a 50-percent ad valorem duty. One might wonder about some of our restrictive and protectionist types of legislation. This is one of them. A recent court decision,

the Texaco Marine decision, will ensure that U.S. Customs will aggressively enforce collection of that 50-percent duty, as they should. Some suggested that customs is not doing it adequately. I certainly see no reason why customs should not actively enforce the law.

Furthermore, every tanker that is scrapped as a result of the declining ANS production is one less tanker that will ever come in for need of repair. By spurring energy production, the bill will actually increase repair opportunities for U.S. shipyards. As long as U.S. shipyards, such as the Port of Portland, San Diego, and others, remain competitive, they should expect to do most of the repair work on the fleet simply because the vessels are traversing the waters of the west coast.

An argument has been made that ANS exports will destroy the shipbuilding sector opportunity to build 1,200 to 1,500 120,000-dead-weight-ton tankers over the next 5 years. After this charge was made at the committees hearings, the leading trade association for the tanker industry advised us that not one of its members had a vessel under construction and not one planned any new building with so many vessels sitting.

Furthermore, there have been suggestions that there has been some violation of GATT or OECD. The argument has been made that the U.S.-flag requirement is an unprecedented extension of cargo preference and violates our international obligation under GATT and GATT's standstill agreement and the OECD code. The reply to that is that the U.S. Trade Representative formally advised the committee that the U.S.-flag requirement did not violate our internal obligations. In adopting the United States-Canada Free-Trade Agreement, Congress specifically required the use of so-called Jones Act vessels to carry Alaska oil exports to Canada. No foreign government currently complained at that time.

There has been some concern that the U.S.-flag requirement violates the Treaty of Friendship. That is the FCN, commerce and navigation with many nations. The reply to that is that just this past week the administration testified again that the U.S.-flag requirement does not violate any of our international obligations. The FCN treaties permit measures in furtherance of our national security such as preserving a militarily useful tanker fleet.

California offshore production. There has been an argument that exports will encourage or increase pressure for California offshore production. I reply to that that the Department of Energy concluded that the California offshore production will not increase because State moratoriums are effectively in place. They simply block any further development. At the committee's March 1 hearing the witnesses representing the State of California especially rejected the argument saying

that the moratoriums in effect ban further offshore development.

Mr. President, let me enter into the RECORD at this time a letter from our U.S. Trade Representative, Mr. Kantor, to Senator BENNETT JOHNSTON, dated March 9, 1995.

DEAR SENATOR JOHNSTON: This replies to your letter of March 2, 1995, requesting information on the implications of cargo preference provisions of Senate bill 395 on our obligations under the World Trade Organization and the Organization of Economic Cooperation and Development, OECD.

Specifically, you asked if the legislation violates any trade agreements, the potential legal and practical affects of a challenge as well as its effect on the ongoing negotiations on maritime in Geneva.

As to WTO violation, I can state categorically that Senate bill 395, as currently drafted, does not present a legal problem.

Further, we do not believe that the legislation will violate our obligations under the OECD's code of liberalization of current invisible operations or its companion common principles of shipping policy. However, the OECD does not have a mechanism for the settlement of disputes and its associations and the rights of retaliation.

While parties to the OECD are obligated to defend practices that are not consistent with the codes, the OECD process does not contain a dispute mechanism with possible retaliation rights. The OECD shipbuilding agreement, by contrast, does contain specific dispute settlement mechanisms although the agreement does not address flag or crew issues.

Your letter requests guidance on the implications of Senate bill 395 on the GATT's ministerial decision on negotiations of maritime transport service . . . which is the document that guides the current negotiations on maritime and the WTO. The maritime decision contains a political commitment by each participant not to adopt restrictive measures that would improve its "negotiating position" during the negotiations which expire in 1996.

This political commitment is generally referred to as a "peace clause." Actions inconsistent with the "peace clause" or any other aspect of the maritime decision cannot give rise to a dispute under the WTO since such decisions are not legally binding obligations.

There are, of course, potential implications for violating the "peace clause" by adopting new restrictive measures during the course of the negotiations. These implications could include changes in the willingness of other parties to negotiate seriously to remove maritime restrictions that might lead to certain parties simply abandoning the negotiating table. But the maritime decision does not provide the opportunity for retaliation.

Our view is that the U.S.-flag preference provisions of Senate bill 395 do not measurably increase the level of preference for U.S.-flag carriers and actually present opportunities for foreign flag vessels to carry more oil to the United States in light of the potentially new market opportunities resulting from enactment of S. 395. Thus, it would be very difficult for foreign parties to make a credible case that the U.S. has "improved its negotiating position" as a result of S. 395.

For reasons I have explained, we are certain that the U.S.-flag preference does not present legal problems for us under the WTO. However, in the event any U.S. measure were found to violate our obligations, WTO does not have authority to require alterations to affect statutes. That remains the sovereign decision of the country affected by an adverse panel ruling. A losing party in such a

dispute may alter its law to conform to its WTO obligations to pay compensation or accept retaliation by the prevailing party.

Finally, we agree with you that it would not be appropriate to include a requirement that ANS export in U.S.-built vessels.

I trust this information is of assistance to you. Please do not hesitate to contact me.

Sincerely,

MICKEY KANTOR.

VOTE ON MOTION TO TABLE COMMITTEE AMENDMENT BEGINNING ON PAGE 1, LINE 3

Mr. MURKOWSKI. Mr. President, the hour of 2:30 has come, and I would move to table the first committee amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Texas [Mrs. HUTCHISON], the Senator from Oklahoma [Mr. INHOFE], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. EXON], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Georgia [Mr. NUNN], and the Senator from Minnesota [Mr. WELLSTONE] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote "yea."

The PRESIDING OFFICER (Mr. KYL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 80, nays 6, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—80

Abraham	Frist	McCain
Akaka	Glenn	McConnell
Ashcroft	Gorton	Mikulski
Bennett	Graham	Moynihan
Bingaman	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Campbell	Helms	Robb
Chafee	Hollings	Rockefeller
Coats	Inouye	Roth
Cochran	Johnston	Santorum
Cohen	Kassebaum	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Simon
Craig	Kerrey	Simpson
Daschle	Kohl	Smith
DeWine	Kyl	Snowe
Dodd	Leahy	Stevens
Dole	Levin	Thomas
Domenici	Lieberman	Thompson
Dorgan	Lott	Thurmond
Feinstein	Lugar	Warner
Ford	Mack	

NAYS—6

Biden	Byrd	Feingold
Boxer	D'Amato	Murray

NOT VOTING—14

Baucus	Hutchison	Moseley-Braun
Bradley	Inhofe	Nunn
Exon	Jeffords	Specter
Faircloth	Kerry	Wellstone
Gramm	Lautenberg	

So the motion to table the amendment was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, what is the pending business?

COMMITTEE AMENDMENT ON PAGE 17, LINE 10

The PRESIDING OFFICER. The question now before the Senate is the second committee amendment.

Mr. MURKOWSKI. Mr. President, we have had an extended discussion on the matter of the sale of the Alaska Power Marketing Association, as well as the proposal to allow the export of surplus oil on the west coast of the United States.

During the course of the day, the Senate came in at 9:30 a.m. and a proposal was to take up the bill. There was an objection to moving to the bill from my friend from the State of Washington. As a consequence, from approximately 9:30 a.m. until noon, the Senator from Washington had a quorum call in effect, and I had hoped that we could hear the particular position of the Senator from the State of Washington.

Unfortunately, that was not the case. There was an agreement to move to the bill at 12 o'clock, and it is now 3 o'clock. The amendment that we just tabled is significant and I think was an expression of the attitude of the Senate towards this. Mr. President, furthermore, the majority leader tried to accommodate Members.

Mr. President, in view of some of the changes—

Mr. BOND. Will the Senator yield?

Mr. MURKOWSKI. Yes.

Mr. BOND. Mr. President, may I address a question to the manager and sponsor of this legislation? The Banking Committee's Subcommittee on International Finance has jurisdiction which looks remarkably as though it may be appropriate to this measure.

While I am in general support of the position of my distinguished friend from Alaska, I would like to have an explanation for this body as to the jurisdiction and what he feels is the appropriate committee referral. Might I ask that question of the Senator from Alaska?

Mr. MURKOWSKI. Mr. President, I will be happy to respond. It is my understanding the Senator from Missouri

is a subcommittee chairman of the Banking Committee. The question of jurisdiction has been addressed by him in the subcommittee context, and I wonder, for the RECORD, if he could give us some background with regard to the manner in which they have studied that.

Is it not, indeed, the fact that that particular jurisdiction under the Banking Committee, as well as other prohibitions on the export of Alaska oil, such as the Mineral Leasing Act, the Export Administration Act, and others, were presented in such a way, once the proposal was made with the substantiation falling to include the sale of the two generating plants in Alaska, that the Chair ruled that it was appropriate that it be under the jurisdiction of the Energy and Natural Resources Committee, and it is my understanding that ruling of the Chair still stands.

I ask the Chair if there is any reference to anything to the contrary to that?

I am sorry; I guess the Chair was preoccupied. But the issue that we have before us is the jurisdiction potentially of the Banking Committee, and the Alaska oil export ban is not in the jurisdiction of the Senate Banking Committee because the Alaska oil export originated in the Trans-Alaska Pipeline Authorization Act, the bill that is strictly within the jurisdiction of the Energy Committee.

The Energy Policy and Conservation Act, which is EPCA, includes a provision that generally restricts crude oil exports. This bill is also within the jurisdiction of the Energy Committee. The bill was introduced but did not reference the Export Administration Act.

Furthermore, the Export Administration Act expired, so it no longer governs the export of Alaskan crude oil. And that is the understanding of the Senator from Alaska with regard to the jurisdiction of this matter before the Senate being referred to the Energy and Natural Resources Committee.

Mr. BOND. Mr. President, let me thank the Senator from Alaska. We will have further discussions on that. I appreciate the discussion he has conducted and the ruling of the Chair. I think we are going to do some further investigation of that matter. At this point, I appreciate very much his stating his views. We will continue to review that and work at the staff level to assure there is no problem.

Mrs. FEINSTEIN. Mr. President, I wonder if the Senator from Alaska will yield for a question.

Mr. MURKOWSKI. The Senator is happy to yield for a question from the Senator from California.

Mrs. FEINSTEIN. I want to commend the two Senators from Alaska for their work on this measure. I also want to thank them for seeking my support. Early on in the discussions, because of concerns, I took the time to discuss this with virtually all of the parties involved. In a meeting in my office in

September of last year, one of those parties was British Petroleum. British Petroleum would be a major supplier or purveyor of Alaskan crude.

One of the concerns that I had was that we not create jobs somewhere else and take jobs from our people, specifically the merchant marine. The two authors have been good enough to see to it that the legislation reflects that the oil must be transported on American-flag and American-crewed vessels and has secured that as a part of the legislation. There is another part to this, and that is American-built vessels. But because of a GATT problem, it is not possible to put this in the legislation.

In September, I received a letter and I would like to quickly read this letter and ask the Senator directly the question. The letter is addressed to me and it says:

Further to discussions with you held September 30, 1994, if the ban on Alaska exports is lifted, BP will commit now and in the future to use only U.S.-built, U.S.-flag, U.S.-crewed ships for such exports. We will supplement or replace ships required to transport Alaskan crude oil with the U.S.-built ships as existing ships are phased out under the provisions in the Oil Pollution Act of 1990.

I hope that this commitment satisfies your request that Alaska oil exports be carried on U.S.-built, U.S.-flag ships, manned by U.S. crews.

Yours, sincerely,

STEVEN BENZ,

President,

BP Oil Shipping Company, USA.

My question to the Senator from Alaska is: Is this agreement still in effect?

Mr. MURKOWSKI. In response to the Senator from California, it is my understanding, Mr. President, that indeed it is still in effect. I should point out, however, as I know the Senator from California is aware, British Petroleum, being a foreign corporation, cannot own U.S.-flag, U.S.-documented vessels. So British Petroleum contracts with private U.S. owners that own the U.S. vessels. It is my understanding that since they basically—in the sense of having a long-term charter agreement—have dictated this position that they will move BP's oil and, for that matter, all the other oil that would flow between Alaska and any other American port in a U.S.-flag vessel. But BP itself is precluded by our maritime laws from owning the vessel outright.

Mrs. FEINSTEIN. I appreciate that, Mr. President. It is very important to me that this U.S.-flag and crewed and, to the extent we can, built ships be used. I take this commitment from BP, however they are going to do it, that the oil that they transport will be in U.S.-flagged, crewed, and built vessels. I thank them for that.

I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

BP OIL, INC.,

Cleveland, OH, September 30, 1994.

Hon. DIANNE FEINSTEIN,  
U.S. Senate, Washington, DC.

DEAR SENATOR FEINSTEIN: Further to discussions with you held September 30, 1994, if the ban on Alaska exports is lifted, BP will commit now and in the future to use only U.S.-built, U.S.-flag, U.S.-crewed ships for such exports. We will supplement or replace ships required to transport Alaskan crude oil with U.S.-built ships as existing ships are phased out under the provisions in the Oil Pollution Act of 1990.

I hope that this commitment satisfies your request that Alaska oil exports be carried on U.S.-built, U.S.-flag ships, manned by U.S. crews.

Yours sincerely,

STEVEN BENZ,

President, BP Oil Shipping  
Co., USA.

Mrs. FEINSTEIN. I would like to ask the Senator from Alaska another question. It is essentially about jobs. After looking at this very carefully and talking with independent oil producers and the Department of Energy, I believe that this legislation will, as the Senators from Alaska have stated on the floor earlier, be helpful in producing jobs in the State of California.

The Department of Energy has some very generous estimates in their report. I am not sure I believe the totality of this, but suffice it to say that they predict 5,000 to 15,000 new jobs very quickly and as many as 10,000 to 25,000 jobs by the decade end, most of which they identify as taking place in Kern County, CA.

I ask the Senator from Alaska if he concurs with this energy observation and would he agree that this would be job-producing for the State of California?

Mr. MURKOWSKI. Mr. President, in reply to the Senator, it is my understanding that the Department of Energy has done an exhaustive analysis and agrees that significant job creation would be initiated primarily as a consequence of small, independent stripper producers that currently are having a difficult time maintaining production because of the excess oil on the west coast that would be removed if indeed this legislation becomes law, and that would stimulate production, investment and, of course, initiate numerous new jobs. And the proximity of that oil to the California refiners is such that it would reduce transportation costs as opposed to bringing the oil down—I am not suggesting that California production would increase to the point where it would replace Alaska oil, but it would stimulate that margin of production and cannot compete with the excess oil that is on the west coast today.

I am very pleased that my friend from California recognizes that the mix of utilization of oil in the California refineries is both Alaskan as well as Californian, as well as some imported oil. But there is no question about the merits of the job creation and margin and operations coming back on line. I think that is why this legislation was so unanimously supported by the California independent

oil producers, who have worked very hard on this legislation.

Mrs. FEINSTEIN. I thank the Senator. I have one last question, and I would like to place a statement in the RECORD. One of the refineries is located right in my area and, of course, that is Tosco in the San Francisco Bay area. Among the parties that I discussed this with, Tosco was one of them. It is clear that they had some reservations about the legislation. I did discuss this with the Senator from Alaska, and I know he mentioned this earlier on the floor. I would like him, if he would, to repeat it. It is my understanding that Tosco has been assured reasonable supplies of oil even with this agreement in place. I would very much welcome the Senator's response to this in the affirmative or negative, whichever it may be.

Mr. MURKOWSKI. Mr. President, responding to my colleague from California, with regard to Tosco, I am referring to the 1993 PADD IV refinery slate, which is the latest one I have indicating the origin of oil from the Tosco refinery at Martinez, CA, which is, I think, the question posed by the Senator from California.

The capacity of that refinery is 148,000 barrels a day. That 148,000 comes from the following origins: 56,000 barrels a day comes down from my State of Alaska; 75,000 barrels a day of that refinery's capacity comes from California, that is produced locally in California; 18,000 barrels a day of that refinery's utilization is imported oil.

So a little more, 75,000 California, 56,000 from Alaska, 18,000 are imported, and there is another Tosco refinery, Ferndale, which is, I think, of interest to the Senator from Washington. The Ferndale refinery capacity is about 89,000, currently operating at 71,000; 64,000 come down from Alaska, 7,000 are imported—none comes from California, which I am sure is not a surprise.

The point of the question of my friends from California, Washington and California, are certainly the natural markets for ANS crude. Washington and California ports are closest to Alaska as the origin of crude oil, and the ANS will continue to supply those refineries simply because of the proximity and the lower transportation costs.

Mrs. FEINSTEIN. I thank the Senator.

It is also my understanding, Senator, that this bill specifies that the President shall determine on an annual basis whether independent refiners in the Western United States are able to secure adequate supplies of crude, and if not, he can so indicate and make further recommendations to the Congress; is this not correct?

Mr. MURKOWSKI. The Senator from California is absolutely correct. That is in the bill.

Mrs. FEINSTEIN. I thank the Senator. I yield the floor.

Mr. MURKOWSKI. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the second committee amendment.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to adopt the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The committee amendment on page 13, line 10 was agreed to.

#### AMENDMENT NO. 1078

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], proposes an amendment numbered 1078.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the text of title II and insert the following text:

#### TITLE II

##### SEC. 201. SHORT TITLE.

This Title may be cited as "Trans-Alaska Pipeline Amendment Act of 1995".

##### SEC. 202. TAPS ACT AMENDMENTS.

Section 203 of the Act entitled the "Trans-Alaska Pipeline Authorization Act," as amended (43 U.S.C. 1652), is amended by inserting the following new subsection (f):

(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

(1) Subject to paragraphs (2) through (6), of this subsection and notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over right-of-way granted pursuant to this section may be exported after October 31, 1995 unless the President finds that exportation of this oil is not in the national interest. In evaluating whether the proposed exportation is in the national interest, the President—

(A) shall determine whether the proposed exportation would diminish the total quantity or quality of petroleum available to the United States; and

(B) shall conduct and complete an appropriate environmental review of the proposed exportation, including consideration of appropriate measures to mitigate any potential adverse effect on the environment, within four months after the date of enactment of this subsection.

The President shall make his national interest determination within five months after the date of enactment of this subsection or 30 days after completion of the environmental review, whichever is earlier. The President may make his determination subject to such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that the exportation is consistent with the national interest.

(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to this section, shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.

(4) The Secretary of Commerce shall issue any rules necessary for implementation of the President's national interest determination within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

(5) If the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the United States, the Secretary of Commerce may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

(6) Administrative action with respect to an authorization under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.

##### SEC. 203. ANNUAL REPORT.

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following:

"in the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration for Defense District V have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate."

##### SEC. 204. GAO REPORT.

The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

##### SEC. 205. EFFECTIVE DATE.

This Title and the amendments made by it shall take effect on the date of enactment.

Mr. MURKOWSKI. Mr. President, this is an act entitled Trans-Alaska Pipeline Authorization Act, as amended (43 U.S.C. 1652), is amended with the new subsection, "Exports of Alaskan North Slope Oil."

I believe the Chair has the amendment.

What we have attempted to do here by this amendment, as reported by the committee, S. 395 would immediately authorize ANS exports carried in U.S.-flagged vessels.

When the administration testified in support of lifting the Alaska North

Slope crude oil export ban, they indicated the bill should be amended, one, to provide appropriate environmental review; and second, to allow the Secretary of Commerce to recommend action against anticompetitive behavior by exporters, and to establish a licensing system.

Mr. President, if no one seeks recognition, I propose the question be put to the floor.

Mrs. BOXER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there an objection?

Mr. MURKOWSKI. I do not believe a quorum call is in order.

Mrs. BOXER. Mr. President, I asked for a quorum call.

Mr. SARBANES addressed the chair.

The PRESIDING OFFICER. The Senator from Alaska had the floor.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, will the Presiding Officer please tell me what the pending business is.

The PRESIDING OFFICER. The pending business is the amendment offered by the Senator from Alaska.

Mr. MURKOWSKI. I call for the question.

The PRESIDING OFFICER. The question is on the amendment.

Mrs. BOXER. Mr. President, I cannot hear the Senator from Alaska.

Mr. MURKOWSKI. The Senator from Alaska calls for the question.

Mr. SARBANES addressed the chair.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The parliamentary situation is the amendment of the Senator from Alaska is on the floor.

Mr. SARBANES. Pending?

The PRESIDING OFFICER. It is pending and open for debate.

Mr. MURKOWSKI. Mr. President, I would like to try to reach a conclusion, as I know my colleagues would, relative to this matter. We have had an opportunity coming in at 9:30 this morning whereby we were in a quorum call until 12 noon, and the Senator from Washington had asked that we be placed in that quorum until such time and she was graciously kind to advise me that we could go on the bill at 12 noon.

Since the quorum call was placed by the Senator from Washington, I anticipated she would have an opportunity to speak at that time on the merits of the bill or the motion to proceed. I did not attempt to call off the quorum and she did not choose to speak.

In all fairness, since that time I have held the floor, along with my senior Senator, Senator STEVENS. In order to try and resolve this, I had hoped we could get a vote on the question—get the vote today and resolve this matter. It is of great interest to my State, and I know it is of great interest to the State of Alaska, to my colleague, Sen-

ator JOHNSTON, as well as Senator STEVENS, because we anticipate attaching as part of this Senator JOHNSTON's interest in deep water drilling.

Last week, the majority tried to accommodate Members by offering to bring this bill up at 1 p.m. today, but it is my understanding, and I would be happy to be corrected, that there was an objection from the Senator from Washington. So we had to come in at 9:30 a.m. to work out a motion to proceed.

As I indicated initially, the Senator from Washington would not allow any agreement on getting to the bill. Then the Senator from Washington agreed to letting the bill come up at 12 noon. Then again at noon, unfortunately, the Senator from Washington objected to the first committee amendment being adopted. The Senator also let it be known that if we put in a quorum call she would object to dispensing with it, and as a consequence, she did. And that, I believe, was when Senator GRAMS wished to make a statement as if in morning business.

We were then forced to hold the floor—I was somewhat reluctant, and I am sure somewhat repetitious in doing so—so we could get a vote at 2:30. Now we still have objections and it is my understanding now that the objection has been dropped on the second committee amendment.

I would like to—perhaps we would find it expedient—without losing my right to the floor, to ask the Chair whether the Senator from Washington would inform the Senate what her intentions might be on the legislation that is pending? Specifically, I ask, does the Senator plan to offer any amendments? If so, could she inform us what those amendments might be so we can review them?

Mrs. MURRAY. Mr. President, I will be happy to respond to the questions of the Senator from Alaska. I did come to the floor this morning at 9:30 and did object to the motion to proceed. We then did work out an agreement that the bill would begin to be debated at noon.

At that time, I was here on the floor and ready to debate and was not able to say anything until the 2:30 rollcall vote. Since that time, obviously, there has been an exchange among several Senators.

I do have a statement I want to make. I do have a great deal of information I want to submit for the RECORD, and I want to be able to bring my side out on this argument. I know there are a number of other Senators who also wish to present their points of view on this. The Senator from California, Senator BOXER, does, and I know the Senator from Oregon, Senator HATFIELD, has a statement. Several other Senators have indicated to me that they would like the opportunity to debate this bill.

I also have been told there are a number of amendments that people wish to bring forward on this bill.

Mr. MURKOWSKI. If I may respond? I am quite aware there are at least two Senators who are on the floor now. I am most willing and anxious to hear from them, as well as to hear from the Senator from Washington.

So the Senator is not indicating one way or another whether there are amendments which she may be offering that we could review during the time under which she and others may speak.

I wondered if she has amendments, if the Senator from Washington has amendments?

Mr. FORD. Mr. President, point of information.

Mr. MURKOWSKI. Sure.

Mr. FORD. Parliamentary inquiry?

The PRESIDING OFFICER. Does the Senator from Alaska yield for that purpose?

Mr. MURKOWSKI. I am happy to yield without losing my right to the floor.

Mr. FORD. Does the Senator from Washington retain her own right to make her own statement and to offer all amendments without trying to reveal that in advance, and not being able to get the floor?

Mr. MURKOWSKI. If I may respond?

Mr. FORD. I asked the Chair a question.

The PRESIDING OFFICER. Senators may make any statement when they have the floor.

Mr. FORD. So it is not a requirement, then, that she reveal what amendments she would like to have entered? She may have a dozen and reduce it to six?

The PRESIDING OFFICER. A Senator may make any statements when that Senator has the floor.

Mr. MURKOWSKI. I thank my friend from Kentucky. My purpose in making the inquiry was simply to try to determine whether the Senator from Washington would require the Senator to invoke cloture on the measure.

Mr. FORD. That is your prerogative. That is your prerogative.

Mr. MURKOWSKI. Does the Senator care to indicate that? It would be appreciated, simply from the standpoint of expediting the process.

If not, that is certainly the right of the Senator from Washington.

Mrs. MURRAY. Is the Senator from Alaska asking me that question?

The PRESIDING OFFICER. Does the Senator from Alaska yield to the Senator from Washington?

Mr. MURKOWSKI. No. I respectfully ask my friend from Washington if it is anticipated that the Senator from Washington would require the Senate to invoke cloture on this measure. Might that be her intention?

Mrs. MURRAY. Let me just respond. Again, I was here at 9:30 this morning to object to proceeding to the bill because of the jurisdictional questions I had about whether the bill should have gone to Banking, which I sit on, which does oversee the Export Administration Act. It did not go through that committee, and that is why I voiced those objections.

I then later agreed to go at noon. But I have not had an opportunity to speak to the bill. I intend to do that. I know other Senators do.

I also know there are amendments out there. I cannot give a specific number, or any time, and it will be up to the Senator from Alaska what he determines to do in terms of cloture.

Mr. MURKOWSKI. Evidently, it is understood—I certainly anticipated the Senator from Washington, inasmuch as she initiated the quorum call this morning, I assumed she would speak during that time until noon. But that is her right and I respect that right.

I look forward to hearing her statement and that of my other colleagues at this time.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. MURKOWSKI. The Senator yields the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleagues. I do know Senator HATFIELD from Oregon is going to return to the floor and wants to make a statement, and I will speak until he does get here.

Mr. President, I do rise today to oppose S. 395, which is a bill that, in part, allows the export of Alaskan North Slope crude oil. This issue, at first glance, may appear very simple. Lifting the ban on North Slope oil exports would increase sales and enhance revenues for many Alaskans. However, that additional income for a few of our citizens must be weighed against the concerns of the rest of the Nation.

Job loss, price increases, dependence on foreign oil, and increased environmental risks are all issues that Congress must review—must review—before placing the needs of one State above the concerns of many.

When Congress agreed to develop Alaska's North Slope—ANS—crude oil resources 20 years ago, it prohibited exports of this oil unless the President and Congress find that exports serve national economic and energy security, and other interests. Those conditions were a direct response to the economic chaos and long gas lines created by the Arab oil embargoes of the 1970's.

Since then, our reliance on foreign oil has not diminished. The arguments for retaining the restrictions remain strong. Over the years, Alaska North Slope crude oil has fueled the west coast. Mr. President, 90 percent—90 percent—of Washington State's crude oil comes from the North Slope, and our refineries are operating at 90 percent capacity. The existence of export restrictions has created an extensive transportation, refining, and shipyard infrastructure in our region.

The North Slope has given us a reliable oil supply, carried aboard U.S.-flag vessels. Ships employ Washingtonians in crew and support positions, as well as in ports and ship repair yards.

Today, this secure supply of oil faces a very serious threat. The State of

Alaska and British Petroleum, the principal producer of ANS crude, are mounting a major effort to permit ANS exports. They want to remove the statutory restrictions. Removal of these restrictions will enrich both the State of Alaska's coffers and BP's pockets. But it would seriously hurt consumers, jobs, and the environment in this region.

The tankers that transport Alaska oil are repaired on the west coast. If export restrictions are lifted, this work will go overseas. We could lose 5,000 jobs within our own region, and \$160 million in annual employment income. This is more than half of the marine industry's total west coast employment.

For shipyards, Alaska's crude oil exports would result in the loss of \$270 million a year. More than 2,000 jobs at refineries in my State would be lost.

In addition, the Pacific Northwest would forego most of the \$93 million in annual Federal, State, and local tax payments made by these works and facilities. Mr. President, 90 percent of Alaskan oil is consumed by west coast refineries owned by Atlantic Richfield, Texaco, and Shell, plus independents such as Tosco and U.S. Oil.

Six of these refineries are in my home State of Washington. Competing against foreign buyers willing to pay premium prices, industry experts predict our refineries either will shut down or be forced to pay a premium price to keep their Alaskan supply, or to purchase substitute foreign crude.

Major oil companies may be able to absorb much of the price increase. But the independents, that own 25 percent of the processing capacity in the Pacific Northwest, will not. They cannot compete with the majors by selling their petroleum products at higher prices. As many as 2,500 people could lose their jobs along with the losses of \$100 million in annual payroll income and \$500 million in annual tax payments.

My concern for our environment makes the case for export restrictions even more compelling. Congress opened Alaska's North Slope for development only after it imposed strict conditions to protect that region's fragile environment. Moreover, Washington State and other west coast States also enacted laws and regulations to assure the transportation and processing of this oil is done in a manner that will not injure our environment.

With 99 percent of Alaska crude coming through Puget Sound and 94 percent of this carried on U.S. tankers, foreign replacement oil would not only be more costly but would be carried on more environmentally risky tankers. The U.S. Coast Guard rates as high-risk one-half of the current foreign tanker fleet that carries crude through Puget Sound.

Our coastal waters would face an added threat: Increased pollution risks from offshore transfers of crude oil from large foreign tankers to smaller

ships that can actually deliver the oil to our six refineries.

Exporting ANS crude on less expensive foreign vessels would lower transportation costs for British Petroleum and raise their profits. It would also raise revenue for the State of Alaska because the State's ANS royalty payment is based on the wellhead price, minus transportation costs. BP would also save money by having its tankers built and repaired in foreign countries. In short, North Slope's oil exports would benefit British Petroleum and increase the Treasury of the State of Alaska, but they are clearly not in the interest of the people I represent.

Moreover, I do not believe exports would meet the statutory tests designed to protect broader national interests. When I weigh the benefits to Alaska and BP against these very serious risks, exports make little sense to me. For the sake of our workers and their families, our environment and our energy security, I urge my colleagues to listen and oppose this bill and any other efforts to lift the export restrictions.

Mr. President, I want to read into the RECORD some of the editorials that have been written in the last several months regarding this bill and the lifting of the Alaska oil ban. The first one comes in the Seattle Times, and it is dated March 3 of this year, 1995.

#### KEEP ALASKA OIL BAN

The export ban on Alaskan crude oil has served this country well as a domestic source of valuable petroleum. Contrary to the Clinton administration's desires, this is not the time to overturn the ban, nor the time to imply that over-dependence on foreign oil supplies is over.

Oil from the North Slope of Alaska was drilled, pumped and shipped south as part of a massive enterprise intended to tap into a huge domestic reserve. The 800-mile Alyeska pipeline delivers oil to the port of Valdez, Alaska, but it came at enormous cost and large environmental and cultural questions. The most immediate beneficiaries are the residents of Alaska, who receive yearly Permanent Fund checks for the treasure they are sharing with the rest of the country.

Alaska's representatives are all in favor of ending the ban—probably because higher prices could give their state \$1.6 billion more in royalties in just four more years. But while Alaskans rightly share in the profits from oil, those North Slope holes have since the beginning been considered a national resource.

Although nothing in the Alaskan oil equation has changed, the political requirements of Southern California have apparently been heard in the Clinton White House.

California refineries are full of Alaskan oil; exporting the oil to its likely buyer, Japan, would stimulate California's own oil fields. Although Department of Energy officials testified motorists would see very little price change at the pump, the very premise of stimulating one region's fields by exporting oil from another region has inherent price risks.

There is something smelly about a plan that sends Alaskan oil abroad when the resource should be carefully used at home. The only reason the U.S. imports foreign oil is to meet domestic consumption. Depleting our own resources because some refineries have too much oil goes against the original argument for opening the fields.

Shipping Alaska's oil abroad carries a new set of environmental questions for the Pacific Northwest as new maritime routes would be opened. That's not the most serious question about dropping the oil ban, but simply another in the long list of unnecessary actions that would result from a misguided White House political strategy.

In addition, the Portland Oregonian, on February 26, 1995, printed this editorial:

[From the Portland Oregonian, Feb. 26, 1995]  
KEEP ALASKA'S OIL HERE—LIFTING BAN ON OIL EXPORTS WOULD RAISE PRICES HERE, HURT PORT'S SHIP BUSINESS, INCREASE U.S. DEPENDENCY ON FOREIGN OIL

Congress should sink a bill to remove the 21-year-old ban on exporting Alaskan North Slope crude oil.

Instead of lifting the ban, Congress should support legislation introduced by Northwest Sons, Patty Murray, D-Wash., and Mark O. Hatfield, R-Ore., to extend the export restrictions in the Export Administration Act.

Removing the restrictions that limit the sale of Alaska's oil to domestic markets is being promoted with wildly optimistic promises. Proponents include BP America, Alaska's largest oil producer, independent West Coast oil producers, five maritime unions, the U.S. Department of Energy and the states of Alaska and California.

They say lifting the ban on Alaskan oil exports would stimulate production of at least 100,000 barrels of oil per day and create up to 25,000 jobs, primarily in Alaska and California, while not causing an increase in the cost of motor fuel prices on the West Coast.

Those projections are very questionable. An Energy Department study completed last summer suggested that lifting the ban would create 11,000 to 16,000 jobs (not 25,000). That study also ignored potential job losses in the West Coast ship-supply industry. And it didn't address the potential threat to the economic vitality of the nation's domestic tanker fleet.

Here's a more realistic appraisal of the likely outcome of lifting the ban on exports of Alaskan oil:

West coast gasoline prices would rise. The ban has depressed West Coast crude oil prices by an estimated \$2 a barrel because Alaska oil is forced onto a surplus market here.

West Coast oil refiners have enjoyed the world's largest gross margins because of the Alaskan crude's low price. If that oil is withdrawn and exported, don't expect the refiners to swallow their increased costs for replacement crude. They'll surely pass it on to motorists. If the total cost were passed through, it could result in a 7-cent-a-gallon increase at the pump.

Ship repair and maintenance work at the Port of Portland will all but disappear. Proponents of lifting the oil-export ban say it would stimulate shipyard work on the West Coast. Not so, say Port of Portland officials. They say their contractors believe the lifting the ban would kill the shipyard business. Alaska tankers account for about 70 percent of the work now, but Port of Portland officials believe that tanker operators would do most of their maintenance work in Japan and Korea once the ban was lifted.

U.S. dependency on foreign oil would increase markedly, because replacement of much of the Alaskan North Slope crude oil would come from overseas producers.

This comes at a time when U.S. dependency on foreign sources of oil is at an all-time high. About half of the U.S. daily consumption of 17.7 million barrels of oil comes from foreign sources. That's substantially greater dependency than this nation endured before the 1973 oil embargo or during the

Persian Gulf War. And government officials predict that imports will represent 59 percent of consumption by 2010.

Lifting the ban on exporting Alaskan crude would add to this dependency and make the nation even more vulnerable to international disruptions.

The gain in maritime jobs is not worth the cost to this nation's security and the adverse effect that foreign-oil dependency has had on foreign policy.

Hatfield and Murray need other Northwest members of Congress to rally behind their leadership on Alaskan oil policy.

Finally, I will read an editorial from The Bellingham Herald called: "Our View."

[From the Bellingham Herald, Mar. 19, 1995]  
OUR VIEW—DON'T EXPORT NORTH SLOPE CRUDE OIL

Energy: Using the domestic oil ourselves reduces dependency on foreign supplies, protects jobs.

U.S. Sen. Frank Murkowski, R-Alaska, has introduced a bill to lift the export ban on crude oil from Alaska's North Slope oil fields. Sen. Patty Murray, D-Wash., has introduced a rival bill that would continue the ban.

Murray's bill better protects the best interests, not only of Whatcom County and other regions on the Pacific Northwest where North Slope oil creates thousands of jobs, but of the nation.

It makes little sense to propose exporting more domestic oil when we already depend so heavily on imported oil to meet needs and demands at home.

Murkowski maintains that lifting the ban would net Alaska an additional \$700 million from increased oil sales and create as many as 25,000 new jobs there by 2000.

Murray claims that it would cost about 2,000 refinery and ship-repair jobs in Washington, Oregon and California.

Competing regional interests aside, Congress should look at what's in the nation's best interest.

If the export ban were lifted, foreign vessels could be used to transport the crude oil to other nations. That might pose additional environmental risks as well as eliminate American jobs.

Nations such as China are developing industrial and technological-based economies and need more oil. The pressure to cash in on supplying it is intense. Just last week, the Clinton administration had to pressure Conoco to abandon a plan to help Iran develop two large offshore oil fields.

Best that we stay focused on what's in our nation's best interest regarding North Slope crude oil and use it ourselves.

Mr. President, I think all three of those editorials very clearly point out that it is in the Nation's best interests to defeat the proposal that is before the Senate now. It is in the Nation's best interest to do so.

I am going to respond to some of the points that were made by my colleague, Senator MURKOWSKI, earlier particularly because he mentioned some with which I have to disagree.

He mentioned that the unions support the bill as he has presented it.

I would like to read for the Senate who opposes the bill the Senator from Alaska has presented to us:

Communication Workers of America; Industrial Union Department, AFL-CIO; Inland Boatmen's International Union; Longshoremen's and Warehousemen's Union, International; Na-

tional Farmers Organization; National Farmers Union; Oil, Chemical and Atomic Workers; Steelworkers of America, United; Sailors' Union of the Pacific; United Auto Workers; Citizen Action; Consumer Energy Council of America; American Independent Refiners Association; Huntway Refining Co.; Indian Powerine LP; Kern Oil & Refining; Pacific Refining Co.; Tosco Refining Co.; U.S. Oil & Refining; Western Independent Refiners Association; WITCO Refining Corp.; Atlantic Marine; CBI Industries, Inc.; Celeron Corp.; COSCOL Marine Co.; Pacific-Texas Pipeline Co.; Penn-Attransco.

The list goes on opposing this bill: Avondale Industries; Dillingham Ship Repair; National Steel & Shipbuilding Co.; Northville Industries; Port of Astoria, OR; Port of Portland, OR; Shipbuilders Council of America.

Mr. President, these are just a few of the people, including labor unions, who stand strong in opposition to lifting the ban on Alaskan oil. I think some of the unions that have written to me have very clearly defined why they oppose this bill. I again do this because I heard my colleague from Alaska say that unions support this legislation.

Let me read one from the International Association of Machinists and Aerospace Workers written to Mr. Robert Georgine, president of AFL-CIO.

DEAR MR. GEORGINE: I understand that an amendment may be offered \* \* \* to the maritime reform bill that would eliminate restrictions on the export of Alaska oil. We are told Senator Stevens is planning to offer the change when the Senate Commerce Committee takes up the measure.

Our organization strongly opposes this amendment. Exporting Alaska crude oil across the Pacific would place 500 to 800 jobs at the Portland Ship Yard at extreme risk because the ships used to export the oil would be repaired in foreign ship yards, rather than here at home as they are today. The jobs of more local subcontractors also would be threatened as well as several thousand refinery jobs on the West Coast.

The proponents of exporting Alaskan oil are the State of Alaska, which stands to gain increased severance tax revenues from these exports, and British Petroleum, the major producer of Alaskan North Slope oil. The losers in this proposal are U.S. workers, U.S. energy security, and U.S. business.

As you know, the restrictions on the export of this oil have enjoyed strong bipartisan support over the past 20 years. The last time an effort was made to remove the export ban, the effort lost on a 70 to 20 vote.

We strongly oppose this amendment and urge you to do whatever you can to assure that it is not added to the maritime reform bill.

Mr. President, I have a number of letters from other unions: Sailors Union of the Pacific, Boydco Oil & Atomic Workers, Metal Trade Union, and their message is one and the same, that union members stand strongly in opposition to the legislation that is in front of us.

Another point that my colleague from Alaska made was that the Department of Energy study supported his language in this bill. I want all of my

colleagues to understand that the Department of Energy study addressed the concerns of Alaska and California.

I, too, read that report in its entirety, and it does not address the issues that are important to Washington State, to Oregon, and indeed to the rest of the Nation. It is written in perspective as to what will be good for Alaska and California. I think it is very important to point out that the Clinton administration is not in support as was earlier indicated by my colleague from Alaska. The Clinton administration is not in support as the language stands in front of us right now. They believe that several important concerns need to be addressed, including job protection and environmental issues, before they are willing to endorse it, despite the DOE study. So I remind my colleagues this is not supported by the Clinton administration at this time. They have said that they have very serious concerns and are not supporting it as it is presently drafted.

I also would like to point out the environmental concerns because I can speak for the jobs in my State, and certainly the Senator from Oregon, Senator HATFIELD, will speak in terms of jobs from Portland. But the issue that has not been spoken to here is the issue of environmental concern.

I heard my colleague from Alaska say earlier this morning that this bill in front of us is the first step in increasing domestic oil production. I fear, and I feel many of my colleagues fear, that the second step will be lifting the ban on oil drilling off the coast of Alaska, in the Arctic National Wildlife Refuge. ANWR has been a debate on this floor for many years. Allowing oil drilling there has been debated and defeated many times. Many of us fear that this is, as my colleague from Alaska said, the first step, and the second step will be drilling off the Arctic National Wildlife Refuge. And I know most of my colleagues do not want to see that occur. I think that is a real concern particularly since the budget that was passed out of the Budget Committee last week has an assumption in it that in order to get to the balanced budget one of the things we are going to do is allow oil drilling off Alaska. That is how we are going to balance the budget.

So it is a very real concern. We do not need to pass the first step here in this legislation and pass the second step in the Budget Committee, and I will oppose that as adamantly as I oppose the bill in front of us.

I do want to read to this body a letter from the Wilderness Society, Sierra Club, Friends of the Earth, Natural Resources Defense Council, Alaska Wilderness League, and the American Oceans Campaign, because I think it very clearly states for all of us what our environmental concerns should be.

This was written last year, June 23, 1994.

DEAR SENATOR: The Senate will soon be asked to consider an amendment to the Ex-

port Administration Act to end the ban on the export of North Slope Alaskan crude oil. We urge you to oppose lifting the export ban for the following environmental reasons:

Ending the oil export ban would increase development pressure for sensitive areas like the Arctic National Wildlife Refuge. It is also likely to increase pressure for oil development in fragile areas off the shores of Alaska and California. The expanded development pressure would result from expanded markets, increases in the wellhead price of oil per barrel, and faster depletion of North Slope fields. It is a serious concern that lifting the ban could give nations like Japan a vested interest in our natural resource decisions in Alaska. As long as sensitive areas like the Arctic Refuge and sensitive areas offshore California and Alaska are still not permanently protected from oil and gas development, lifting the export ban is a dangerous idea.

Ending the ban is nonsense energy policy. It would be a dramatic reversal of a national policy we thought Congress had long ago resolved. Lifting the oil export ban is inconsistent with any attempt at conservation of domestic oil for domestic use.

No environmental analysis has been done on ending the ban. Lifting the ban would open the door to tankers nearly twice as large. More traffic in Prince William Sound would pose greater risks from spills. Changed tanker routes would make Kodiak Island and the fisheries of the Bering Sea more vulnerable to chronic and disastrous spills.

Ending the oil export ban could increase the flow through the aging and poorly-maintained Trans-Alaska Pipeline. A major audit recently conducted by the Bureau of Land Management said that the pipeline system poses imminent threats to public and worker safety and the environment. Until the government ensures that the more than 10,000 safety problems with the pipeline are repaired, and that the ballast water treatment and air pollution problems at the Valdez marine terminal are resolved, the Congress should not take actions that could increase the environmental and safety risks.

Lifting the oil export ban would increase oil imports into the United States. Because refineries aren't set up to refine the heavier oil produced in California, the Alaska shortfall would be made up by imports which more closely match the Alaska oil density. This means that more foreign-flagged tankers, with less stringent manning standards than U.S. flagged tankers, would be calling on West Coast ports. Because increased imports would be necessary to replace the oil that could now be exported to the Far East, our trade balance would not improve and at the same time we would have less control over our U.S. domestic oil supplies.

Ending the oil export ban breaks the promise Congress made to the American People over 20 years ago. At that time, Congress sacrificed Arctic wilderness and put Prince William Sound at risk of tanker spills, but said that the North Slope oil was only to go to U.S. markets. In 1973, Vice President Spiro Agnew went to the Senate floor to cast the tie-breaking vote which ended the intense debate over approval of the Trans-Alaska Pipeline. The oil export ban was a crucial part of the deal Congress brokered. Congress chose to override pending legal challenges to the pipeline, proclaiming the environmental impact statement to be adequate even though the major issue of risks to the marine environment from tankers was poorly considered.

If Congress breaks the deal now and lifts the oil export ban, foreign oil companies like British Petroleum would reap the largest benefits, and the American consumers would be the biggest losers. It would be ironic for

Congress to unravel this deal at the same time as Alaskan jurors found Exxon reckless and as 10,000 fishermen and Native residents finally have their day in court.

We urge you to oppose lifting the ban on exports of North Slope crude oil.

Again, that is signed by the Wilderness Society, National Resources Defense Council, Friends of the Earth, Sierra Club, Alaska Wilderness League, and American Oceans Campaign.

I think this letter very clearly points out to all of us that this is a major step and can put a lot of us at risk and our environment at risk that many of us care about.

It is not a step that should be taken willy-nilly on a Monday, when people are not prepared to think about the long-term, serious consequences. That is why I came to the floor this morning at 9:30 to protest moving to this bill, because it has not gone through the Banking Committee where the Export Administration Act has had jurisdiction over this for a long time.

I do believe we have to look much more carefully at all of the conditions that are put forth in this and all of the consequences that many of us will have to suffer for a long time to come if the Senate, in its haste to get legislation passed, does so without considering the consequences to many of us.

Mr. President, I would also like to read into the RECORD a statement by the Wilderness Society and the Alaska Wilderness League that I think points to what the environmental impacts of ending the ban on Alaska North Slope crude oil exports will cause.

"The Department of Energy's claims about environmental impacts are misleading," which refers back to the DOE study.

DOE hastily included 2 pages of "environmental implications" in its report on the economics of ending the oil export ban which were not supported by any analysis or factual substantiation. The Administration has failed to carry out comprehensive environmental analysis required by the National Environmental Policy Act.

Ending the oil export ban would increase development pressure for sensitive areas like the Arctic National Wildlife Refuge. It is also likely to increase pressure for oil development in fragile areas off the shores of Alaska and California. If the 20-year export ban is lifted, its effects will be long lasting. Expanded development pressure as projected by DOE would result in faster depletion of domestic oil resources. It is naive at best to believe that the oil industry won't battle to gain access to these "off-limits" areas when economic and political factors are right. As long as these sensitive areas are still not permanently protected from oil and gas development, lifting the export ban is a dangerous idea.

Environmental and safety problems plaguing the Trans-Alaska Pipeline System (TAPS) should be fixed before considering lifting the ban. It is true that the same old TAPS infrastructure will continue to be used for exported oil, and increased flow due to the new markets would increase the risks. According to a major audit recently done for the Bureau of Land Management, "the pipeline system poses imminent threats to public and worker safety and the environment." More than 10,000 problems were identified,

including "massive violations of the National Electrical Code." The ballast water treatment plant at the Valdez terminal is currently inadequate to handle large volumes of the ballast water which must be removed from cargo tanks before they are filled with oil, and bigger tankers may call at the port if the ban is lifted.

The oil industry should not be rewarded with higher profits from shipping North Slope oil at the same time it is requesting exemptions from environmental laws. Alyeska, which runs the pipeline for British Petroleum and the other oil company owners, has for years avoided limiting air pollution caused by fumes that are released during tanker loading and recently requested a 12-year delay in meeting air pollution standards for the nation's largest tanker terminal at Valdez. Already, air emissions account annually for over 45,000 tons of pollutants such as cancer-causing benzene, and the terminal is the largest source of volatile organic compounds in the nation.

Exports will expose new areas of U.S. coastlines in Alaska to increased risk of oil spills. Changed tanker routes would put Kodiak Island, the Aleutian chain, and the rich fisheries of the Bering Sea at greatly increased risk of chronic and disastrous oil spills. Tankers would still travel through Prince William Sound, placing it at high risk from new spills even as this area still suffers from the effects of the Exxon Valdez. Dumping of the segregated ballast water picked up from foreign ports could introduce exotic organisms that have serious environmental consequences. Lifting the ban would open the door to tankers twice as large.

Serious risks to California's coastal environment have been ignored. Increased imports to California replacing North Slope crude shipments would involve much larger foreign tankers. Because of port and draft restrictions at the refineries, there would be increased risks of oil spills because there would need to be lightering, the transfer of oil from the larger tankers to smaller vessels which bring it into port, and therefore an increased number of times cargo is offloaded. The lightering would be conducted by foreign vessels which are less fully exposed to liability claims under OPA-90 than U.S. companies. Increased refining of California heavy crude would result in increased foreign tanker traffic in California waters to export the byproducts such as residual oil which would be produced in excess of California demand.

Lifting the ban will not help the U.S. meet its commitments to reduce Greenhouse Gas emissions. DOE states thermal enhanced oil recovery in California would increase such emissions, but dismisses the amounts as trivial. However, DOE energy policy should be to achieve further reductions, not to justify increases, in order to fulfill U.S. obligations under the U.N. Framework Convention on Climate Change and to achieve President Clinton's goals in the Climate Action Plan to reduce emissions to 1990 levels by the year 2000.

Mr. President, these are just some of the environmental concerns that we have before us, but they seriously point out the questions that all of us should be asking and have answers to before this ban on oil is lifted from Alaska's North Slope.

Certainly I heard my colleague from Alaska speak this morning about a DOE report and referred to it a number of times as what the basis should be that we vote on, the current amendment before us.

As I indicated earlier, the administration is not supportive of the lan-

guage as we currently see it before us on the floor because they do have concerns still about jobs and environmental impact. But I want to read to this body a letter from someone who agrees with me on the DOE report. He happens to be a former adviser to the Governor of Alaska. So he is from that region; he is a former adviser to the Governor.

His name is Richard Fineberg, and he lives in Alaska. He says:

Re Exporting Alaska North Slope Crude Oil.

DEAR SECRETARY O'LEARY: I read with great interest and disappointment your department's report, "Exporting Alaska North Slope Crude Oil." As a former advisor to the Governor of Alaska on oil and gas issues who subsequently prepared several reports for the Alaska State Legislature on North Slope economic issues, I had hoped that your report would answer many important questions about Alaskan oil development. I was disappointed because the report's conclusions appear to be critically dependent on buried, dubious or false assumptions that undercut the validity of the report's conclusions.

Again, I remind the body I am reading from a letter of Richard Fineberg, who is former adviser to the Governor of Alaska. These are his words, not mine:

... dubious or false assumptions that undercut the validity of the report's conclusions. For example:

The report asserts that Alaska would gain \$700 million to \$1.6 billion in revenues between 1994 and 2000 if the ban were lifted, and that under low-price scenarios most of that gain would come in 1994-96. Having prepared numerous reports on North Slope profits, production prospects and Alaska revenues since leaving my position in the governor's office in 1989, I must say that these poorly explained estimates appear to be highly implausible. Moreover, 1994 is nearly two-thirds over and if the ban were lifted, ANS sellers and refiners would then require some time to revise contracts, arrange shipments and reconfigure their refinery outputs. With most of 1994 gone, how much of this theoretical amount remains to be captured and how much is already lost to history? I cannot make that calculation because I read the report from cover to cover but could never discover the bases for the \$700 to \$1.6 billion estimate.

Again, this is someone who is an expert on Alaskan export of oil.

He goes on to say:

Although there is a known, fixed relationship between federal income taxes and state revenues on ANS production at the DOE study prices, the DOE report inexplicably estimates federal gains to be well outside that predictable range, at \$99 to \$188 million. This leads me to believe the DOE report either omitted federal income taxes or did not account for them correctly. In either event, it would appear that producer gains (and, consequently, jobs) may have been over-stated because federal tax effects were not considered, and that federal gains may have been understated. This is precisely the kind of ambiguity that would lead a careful reader to view with great skepticism the conclusions of the DOE report.

Regarding incremental North Slope production that might result from lifting the ban, your authors note that "If exports of ANS crude oil raise crude oil prices or save on costs of shipping and handling, the resulting revenues may be invested in oil produc-

tion-related projects in the geographical areas where the new profits are made. This is particularly true for small companies, but less so for the major integrated companies." (Report, page E-1.) In a footnote, the report states that "The large ANS producers made it clear in our interviews that they . . . would not necessarily reinvest in Alaska the incremental revenues made as a result of exporting ANS oil." The same section presents increased production rates resulting from the "reasonable" assumption "that all incremental revenues for the remaining producers' share is invested in ANS crude production activities that add to reserves" (major producers Arco and Exxon—45% of ANS production—are factored out because their oil is transferred rather than sold, leaving BP as the remaining major producer). Because major producer BP owns 91% of the remaining production, by its own terms the report's key assumption on reinvestment is clearly not reasonable.

The report notes that data "imply that reserve additions in the range of 200 to 400 million barrels could be produced by the investment resulting from exports of . . . ANS crude. Buy comparison, [c]urrent reserves at Endicott and Point McIntyre, major secondary fields on the North Slope, are 262 and 356 million barrels respectively." (Report, at p. 12 and p. 50). For some reason, the report makes no reference to the largest major secondary field on the North Slope, Kuparuk, whose remaining reserves are three times that of the two fields named in the report. Is there a reason for this? The report's second Kuparuk omission referred the reader again to Appendix E—the same place at which the dubious assumptions noted above are supposed to be demonstrated; nothing in that appendix told me whether Kuparuk was included or excluded from your analysis, or why it was omitted from the text.

I am limiting myself here to clearly demonstrable examples because time is short; some in your department seem to be rushing toward a decision on BP's behalf. I write, therefore, to make sure that you are aware that the DOE report released June 30 appears to be laced with significant technical defects. These shortcomings make it difficult for me to accept the conclusions one must adopt to assume the economic benefits your report claims the United States will realize from lifting the ban. The reader is asked to believe that California refinery acquisition costs can go up without affecting consumer gasoline prices, and that ANS will realize a premium in Japan because its product slate matches Japan's needs. While I am not prepared to state that such heroic assumptions are invalid, it is my opinion that this report fails to demonstrate them. These assumptions are contradicted by the Coalition to Keep Alaska Oil's June 1994 report, "Consequences of Exporting Alaska North Slope Crude Oil." I do not presume to know who is correct. But I must tell you that the latter report is strikingly accurate in those areas with which I am familiar. More important, the challenging report is much less dependent on the kind of Herculean and undocumented assumptions required to reach the conclusions in the DOE report.

I will continue reading and remind my colleagues that I am reading from a letter directly about the DOE's study that has been referenced throughout speech of the Senator from Alaska and kept referring to it. I wanted someone who is an expert from Alaska to respond to that. I will read the last of this letter:

The latter report also sets up the background of raising environmental concerns

that are casually dismissed by the DOE report: In particular, California supply ports, pipelines, refinery storage facilities and refinery operations appear to be at risk. And, as my colleague Dr. Riki Ott of Cordova, Alaska, has previously advised you, the DOE report also dismisses serious environmental concerns in Alaska concerning the integrity of the Alaska pipeline and marine transportation delivery system. As a long-time Alaskan, I share Dr. Ott's interests in the environmental issues the DOE report fails to address. But it is the manifest shortcomings in the DOE economic analysis that lead me to ask you to base your decision on better data than the report you released June 30.

In sum, I do not believe your department's report provides sound bases for its fundamental conclusions and recommendations. In view of the undiscussed problems associated with lifting the export ban and the absence of convincing support for taking this action, I oppose lifting the ban at this time and request that you address the implications of the DOE report's serious defects before making your decision.

It is signed Richard Fineberg.

Again, I would like my colleagues to know that the arguments in favor of lifting the ban have referenced a report from DOE that I have just read a letter from, an expert from Alaska who says that a lot of the assumptions are incorrect. In addition, the Clinton administration itself does not support the language that is in front of us because it still does not address many of their environmental and job issues.

I also heard my colleague from Alaska speak about the jobs that would be brought if this legislation is passed. I believe he referenced the number 25,000. From the perspective of the State of Washington, we have many people employed in our independent refineries. I know Senator HATFIELD from Oregon will be out here in a few minutes to talk about jobs in his State of Oregon. But while he is on his way, I want to share with my colleagues an article called "Alaskan Oil Exports Will Eliminate U.S. Shipyard Jobs."

There has been some question on whether or not jobs would be eliminated in the United States if this oil ban is lifted. I want to read this study to you by the Portland shipyard Port of Portland:

The recommendation of the Department of Energy study on Alaskan—to lift the twenty-year-old restriction on the exports of that would eliminate hundreds of shipyard jobs. First, it will cause a severe reduction in the U.S. flag tanker fleet. DOE—

This refers back to the report.

assumes that exported oil will be carried on Jones Act ships, but Senators proposing that the ban be lifted would only require that the oil be carried on U.S. flagships, not on Jones Act ships. This means they need not be repaired in U.S. yards. This means lost of jobs in our shipyards here in the United States.

Mr. President, I note the presence of my colleague, Senator HATFIELD, on the floor. He is a cosponsor of legislation I introduced earlier. I will yield the floor at this time for him to make his remarks.

Mr. HATFIELD. Mr. President, I thank my colleague from Washington State, Senator MURRAY.

Mr. President, first of all, I want to say we have collaborated on this as between Washington State and Oregon, on the basis of the impact it has on the Northwest, outside of Alaska. I am happy to say, too, that we have been working with Senator MURKOWSKI's staff and we are hoping that we can resolve the problem we have as it impacts upon the Port of Portland. I will address that at a later moment.

First of all, I would like to distinguish between title I of this bill and title II. Title I of this bill provides for the sale of the Alaska Power Administration. I support the sale of the Alaska Power Administration, but I do have strong objections to provisions in this bill which seek to alter, in a fundamental way, a longstanding agreement relating to the Alaskan North Slope crude oil.

Mr. President, for over 20 years, Congress has maintained a ban on the export of crude oil from the North Slope of Alaska transported via the Trans-Alaska Pipeline. This agreement, which is based primarily on national energy security, has given rise to many investments and business expectations. The legislation now before the Senate, sponsored by my good friend from Alaska, the distinguished chairman of the Energy and Natural Resources Committee, would lift this export limitation, thus allowing unlimited export of oil from Alaska.

While I understand and respect the motives of the Senator from Alaska, I must oppose his efforts in this case. I believe it is indisputably in the national interest to maintain our precious remaining supplies of crude oil for domestic use only. To export our Alaska reserves, which account for a quarter of current U.S. consumption, at a time when our reliance on unstable supplies of foreign oil is again in excess of 50 percent, would be damaging to the already fragile energy security situation of the United States.

Again, I want to emphasize that over 50 percent of our consumption is dependent upon foreign imports, and from a very fragile part of the world, geopolitically speaking—the Mideast.

I have long supported the restricting of Alaska North Slope production for domestic use only. Beginning in 1979, I sponsored legislation in several sessions of Congress to extend these restrictions. Each time this issue has come before Congress, these restrictions have been extended with strong bipartisan support. In fact, each time Congress has strengthened the restrictions with respect to Alaska and has added similar restrictions to the export of oil produced in any part of the United States, including offshore oil and oil contained in the strategic petroleum reserve.

I am also aware that sectors of the refining and maritime industries have made substantial investments based on the assurances of Congress that this ban would remain in effect. It would be manifestly unfair to upset these reasonable expectations at this stage.

I should also point out, in order to complete the legislative picture, that Senate bill 414, which I have sponsored with Senator MURRAY, is currently pending before the Banking Committee. Our bill would extend the current export restrictions and is therefore directly contrary to the provisions in the bill presently before the Senate. The Senator from Alaska also has a bill, Senate bill 70, which would also lift the export restriction, and it is also pending before the Banking Committee. I am troubled that the Senator from New York, the distinguished chairman of the Banking Committee, is not present to express his views on these matters before his committee.

In 1973, shortly after the beginning of the Arab-Israeli war and the first oil embargo, Congress adopted the Trans-Alaska Pipeline Authorization Act. And this legislation authorized a construction of a pipeline to move oil from lands belonging to the State of Alaska on the North Slope to a Port at Valdez. The act also amended the Mineral Leasing Act to put in place an export restriction on all oil carried over Federal rights-of-way. Under this provision, exports were only if the President determined exports would be in the national interest, would not diminish the total quantity or quality of oil in the United States and would be done under the licensing provisions of the Export Administration Act of 1969.

A second major oil shock took place in 1979. At that time, in section 7(d) of the Export Administration Act, Congress effectively banned oil exports from the Alaskan North Slope. Congress further tightened section 7(d) in 1985. No rollcall votes have taken place in the Senate since 1984, when this body tabled an amendment offered by my friend from Alaska, Mr. MURKOWSKI, which would have allowed a limited amount of exports at 200,000 barrels per day on U.S. vessels, and the amendment was tabled on a vote of 70-20.

Since the first Alaska oil export restrictions were enacted in 1973, they have provided enduring benefits for our Nation. I speak as someone who has been in the Senate since this ban was put in place and has watched it function. As a result of this policy, we now have an efficient transportation infrastructure to move crude oil from Alaska to the lower 48 States and Hawaii. In addition, these restrictions have helped limit our reliance on OPEC and unstable Persian Gulf oil supplies. They have also allowed us to enhance our domestic merchant marine that continues to help supply the essential oil requirements of our domestic economy and our military.

I have also been in this body long enough to learn quite a few history lessons. And it troubles me that despite two major oil crises and the Persian Gulf war, we continue to senselessly rely on foreign oil as a major energy

source. U.S. oil imports now exceed half of our daily oil requirement. Government and private estimates now predict that by the year 2010, foreign oil imports will exceed 60 percent. I consider these levels to be worthy of serious concern. The Clinton administration appears to be aware of the gravity of the situation, but I have not been impressed with the administration's proposals designed to address this growing problem.

It is my belief that permitting the export of any Alaskan North Slope crude would only exacerbate our already serious problem of reliance on foreign oil. By allowing the export of Alaskan oil to Japan and other Pacific rim countries, we would further increase our dependency on Middle Eastern oil, something I strongly believe—and history supports my belief—puts the lives of United States troops at risk. Exporting this oil could have the effect of increasing consumer petroleum costs on the west coast and threatening the vitality of our domestic tanker fleet. Moreover, Alaskan oil exports would cause job losses in the maritime and related ship-supply industries on the west coast. I see no sound policy reason for the Nation to accept these costs.

Our ability to withstand future energy crises will certainly be tested if we fail to take the appropriate steps now to protect our own energy resources. Keeping this important domestic energy source for domestic use only will affirm the policy of keeping this country on the right path toward energy security.

During the 1973 trans-Alaska pipeline authorization debate, and during the numerous debates on exports since the ban was originally put in place, a fundamental issue for me and a majority of Senators has been this Nation's energy security. The Senate spent weeks debating the merits of allowing the construction of the trans-Alaska pipeline and one of the primary concerns and points of debate was how this precious domestic supply was to be used to improve the energy security of the United States.

Remarks at the time by Senator Taft give a sense of the direction of the debate.

It has been stated several times that oil from the Alaskan North Slope will not be shipped to the Midwest. It has also been stated—and feared by many—that a surplus of crude oil on our west coast will result in the export of this fuel to other countries. It is understandable that Americans would question this action when we are so desperately in need of oil in this country. It is also essential that we not be forced to rely too heavily upon oil from Middle Eastern nations who have stated their intentions to play politics with oil to influence foreign politics.

Recall that in 1973, we were in the midst of an oil embargo and our heavy reliance on foreign oil turned very quickly into an economic crisis and a national security emergency. So I think it is fair to say that the Members of the Senate at that time were very

much aware of the dangers of too great a reliance on foreign sources of oil. The Members of the Senate at that time knew, better than probably any other class of Senators since the attack on Pearl Harbor, that oil is an important national, as well as natural, resource. Because of its ability to influence the events of nations, oil differs fundamentally from more benign, local commodities.

In 1973, the Senate was very much divided over whether to allow the construction of the trans-Alaska pipeline, and I recall Vice President Agnew casting the tie-breaking vote on final passage. However, the Senate was very clear about one thing: If approval was to be given for the pipeline, any oil transported through that pipeline was to be for domestic consumption only. The oil was not to be sold to foreign countries. The oil was to enhance the energy security of this Nation by reducing our reliance on foreign imports.

It is clear that we have yet to learn our lesson. This fact is illustrated well by the national oil consumption and supply figures released each year by the American Petroleum Institute. API's reports over the past decade show that domestic oil production has continued to decline, while domestic oil demand has continued to increase by thousands of barrels of oil a day.

In 1970, U.S. crude oil production hit its all time peak of 9.6 million barrels per day. By 1973, the year of the Arab oil embargo, United States production had fallen to 9.2 million barrels per day. Today, the United States produces about 6.6 million barrels per day, a 28-percent decline since 1973 and a 31-percent decline since 1970. Less crude oil is produced by the United States today than was produced 40 years ago in 1955.

According to projections by DOE's Energy Information Administration, U.S. crude production will continue to decline over the next decade, to 5.4 million barrels per day by the year 2000, 5.2 million barrels per day by the year 2005. The Department of Energy reports that the United States produced 5.2 million barrels per day in 1950. To add some perspective to that number, in 1950, there were 40 million cars on America's highways; today there are 143 million.

This widening gap between domestic production and demand is being filled by an increasing stream of foreign oil imports. In fact, in 1991, the same year this Nation sent its young men and women to war in the Persian Gulf to protect an unstable supply of foreign oil, imports accounted to approximately 45.6 percent of America's domestic oil consumption. That event should have shaken this Nation into a renewed commitment to energy conservation and convinced us to reduce our dangerous reliance on foreign oil. However, our reliance on foreign oil imports has increased from 45.6 percent at the time of the Persian Gulf war to approximately 54 percent today. Experts predict a steady increase, ap-

proaching 60 percent, in the coming years.

This significant reliance on foreign sources of oil merits our serious concern and our most thoughtful judgment. Shipping domestic supplies to foreign markets in order to stimulate otherwise marginal U.S. production is not, in my view, a prudent way for us to address the long-term energy security of this Nation. Promoters of the trans-Alaska pipeline disavowed any desire to ever export oil from the pipeline, and if my memory serves me correctly, the senior Senator from Alaska sponsored an amendment to outlaw exports.

In 1973, those arguing that we should export our domestic oil supplies did not prevail because exporting our domestic supplies was not in the national interest. Those arguing for exports are no more persuasive today. Exporting our finite domestic oil supplies is not a prudent method of decreasing our reliance on foreign oil. It was not prudent in 1973. It is not prudent today. It is reverse logic of a very dangerous sort.

By the passage of the 1992 National Energy Act, we now have many of the tools necessary to establish a sound national energy policy. But make no mistake: We have a long way to go to achieve energy independence and energy security in this country. We must commit ourselves to partnership, to consensus and to cooperation if we are to move our Nation into the role of world leader on numerous energy fronts, including in reducing fossil fuel use and increasing renewable energy technology.

Maintaining the current requirement that Alaskan North Slope crude oil is to be used for domestic purposes only is a vital part a rational energy policy for this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I have tried to outline my position in a general sense and then, in the historic context, the development of this legislation.

I would like to turn now from the general to the specific. The Senator from California, a while ago on the floor, was raising the questions about the impact upon jobs and upon the local economy—in California and other west coast cities. I would like to further that discourse by referring to my own State of Oregon, and its relationship to Washington State, because the Port of Portland serves both sides of the Columbia River and the employees of the Port of Portland, many of them, traverse the bridge between the two States and their full-time employment

is in the State of Oregon. We have a lot of exchange between Vancouver, WA, and Oregon, the city of Portland.

Based upon the export restriction policy established by Congress in 1973, an infrastructure has been developed to transport, refine, and deliver massive amounts of domestic crude oil to American consumers. In the State of Washington, refineries were built by integrated oil companies and independent refiners to process Alaskan crude. The infrastructure required to receive this type of crude oil and deliver it to marketers was also developed. In my own State of Oregon, facilities were built or expanded to repair the dozens of Jones Act tankers that carry this oil. In the State of California, refineries were built or expanded, a new pipeline from Long Beach to Texas was built, and shipyards were expanded to build and repair tankers in the Alaskan trade. A pipeline was built across Panama to provide for the more efficient transportation to gulf coast ports of Alaskan crude that could not be consumed on the west coast. Jones Act oil tankers were built to transport the oil to end-use markets. Each of these infrastructure investments was encouraged by Congress as part of its central policy objective: increased energy security through the domestic use of this important oil supply.

This relates to another point that I mentioned earlier in my remarks, and upon which I shall now expand. This point is less related to energy policy and more related to fairness.

In direct reliance on this act of Congress that put the export restriction in place, and on the enthusiastic encouragement of the Federal Government, the citizens of Portland, OR, undertook a major investment. They voted to tax themselves \$84 million to fund a major expansion of the Portland Ship Repair Yard. This expansion program included acquisition of the largest floating dry dock on the west coast. This dry dock is specially designed for the large oil tankers that haul oil from the Trans-Alaska Pipeline. These vessels are known as the Alaskan North Slope very large crude carriers [VLCC's].

Of the \$84 million initially borrowed to complete the facility, \$50 million remains to be paid. It is very likely that this facility, which accounts for 500 to 800 family wage jobs, will not continue to be viable if the bill currently before the Senate passes and the export ban is lifted. Exports will provide ship owners with a greater economic incentive to have ships repaired in the low-cost East Asian shipyards.

Mr. President, \$84 million is a great deal of money to taxpayers in Portland. This was not an investment based on a Federal handout, but rather, it was a city of moderate means putting up its own credit and ingenuity on the line to invest in a facility of integral importance to a stated Federal objective. It took a great deal of courage for Portlanders to make that investment. But it was not a blind venture. It was based on a great deal of encouragement

by Federal officials that such a facility was a necessary part of the long-term plan for the Alaska Pipeline trade.

Let me share some of the rhetoric of the time. I believe it is helpful in understanding why the citizens of Portland made this significant investment and why it would be highly unfair to abruptly change the rules at this point.

After it became apparent that the oil would be used for domestic purposes only, proponents of constructing the pipeline made a very strong case for the benefits such a pipeline would have for the U.S. maritime industry, and in particular their expectation that the various components of the maritime industry would play a vital role in accomplishing the broad national objectives that construction of a trans-Alaska pipeline was designed to achieve.

Commerce Secretary Maurice H. Stans was in the forefront of Nixon administration officials in advocating approval of the pipeline. In addressing the Seafarers International Union of North America in June 1973, Secretary Stans said the pipeline would help revive U.S. maritime strength. A trans-Canada pipeline was an option being seriously considered at that time, and Secretary Stans argued to the group that a pipeline across Canada would "eliminate all the great maritime opportunities that the Alaska line would provide." The Seafarers agreed and approved resolutions endorsing the trans-Alaska route and another resolution re-endorsing the Jones Act.

Andrew Gibson, Assistant Secretary of Commerce for Maritime Affairs, visited Portland, OR, in May 1973, and made the following remarks to the Propeller Club, a group of maritime interests:

We have estimated that with the completion of the Alaska Pipeline, a fleet of approximately 30 new U.S. tankers would be added to the American merchant marine to transport the oil from southern Alaska to the West Coast. The construction of these vessels at an estimated cost of \$1 billion would give an added stimulus to our shipbuilding industry and would provide approximately 48,000 man-years of work in the U.S. shipyards and allied industries. Manning and maintaining these vessels would create many additional permanent maritime jobs, while the estimated annual operating and maintenance cost of \$30 million would provide added employment in the related service industries.

The debates in Congress added further substance to the understanding that the maritime industry was being called upon to play an important role in the success of the trans-Alaska pipeline. The assumption that this supply was for domestic use only is pervasive. Congressman YOUNG made the case in the House:

In the maritime industry, 35 tankers will be employed in the fleet required for transporting the oil to the west coast ports. Twenty-seven of these ships remain to be constructed. It has been estimated by the Maritime Administration that the construction of these ships will create 73,500 man-years of labor in shipyards and supporting industries. Maintenance of the fleet will generate 770 permanent jobs in the Nation's shipyards.

In the Senate, Senator STEVENS made a similar statement:

The trans-Alaska pipeline will particularly aid several vital American industries which are currently depressed. For example, the American maritime and shipbuilding industry will be helped greatly. Alaskan oil must be carried in American-bottom ships under the Jones Act. At least 27 new tankers must be constructed; 73,480 man-years of shipyard employment will be created; 3,800 permanent jobs will be created to run and maintain this new, modern tanker fleet. This will result in more than \$1.0 billion for America's shipbuilding industry. This is an industry that has, for some time, been at a competitive disadvantage because of lower costs from foreign competition.

As I read these statements, I can well understand why the citizens of Portland believed they were being given assurances that there would be continuity if they stepped forward to participate in this new venture of national importance. To now lift the export restriction and ask the taxpayers of Portland to take a \$50 million loss on a shipyard that is now of questionable utility is imposing a great unfairness. This is an unfairness that I cannot allow.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, I inquire of the chair and also the floor managers. What is the pending business of the Senate? I would like to make some comments on bill S. 395.

The PRESIDING OFFICER. The pending question is the Murkowski amendment 1078 to S. 395.

Mr. BREAUX. Mr. President, is it in order for me to engage in debate on the pending legislation at the present time?

The PRESIDING OFFICER. It is.

Mr. BREAUX. Mr. President, with that understanding, I would like to make some comments on S. 395.

Mr. President, I rise in support of the provision included in S. 395 which would lift the ban on the export of the Alaskan North Slope crude oil so long as such oil is carried on U.S.-flag vessels.

This amendment would reduce our trade imbalance and raise \$99 to \$180 million in revenues for the U.S. Treasury. It would also create an additional 10,000 to 25,000 new jobs and would certainly spur domestic energy production.

In 1973, Mr. President, shortly after the first Arab oil boycott, Congress adopted this ban, and since then the domestic and world energy markets have dramatically and significantly changed. Today, the export ban diminishes our energy security because it artificially depresses wellhead prices on

the west coast, making it uneconomic for domestic oil producers to invest in marginal operations.

Mr. President, a Department of Energy study confirms that lifting the ban on Alaskan crude oil would improve domestic energy security by encouraging domestic exploration activities. DOE estimates that domestic production will increase between 100,000 and 110,000 barrels a day if the ban is lifted.

In addition to increasing domestic production, this bill will also help to stabilize the decline in the size and vitality of the domestic merchant marine.

By authorizing the exports of Alaskan oil on U.S.-flag vessels, we can help preserve a vital element of our domestic merchant marine, and we can do so without subsidies from the American taxpayer and without measurably increasing any risk to the environment.

Mr. President, in 1990, Congress overwhelmingly supported enactment of the Oil Pollution Act. That legislation ultimately will require all oceangoing tankers plying our waters to be built or rebuilt with a double hull. It already ensures that American flag and foreign flag tankers will continue to be subject to the same strict safety requirements. And since December 28 of last year, it has imposed substantial financial responsibility requirements for all tankers entering U.S. waters.

Last year, the Department of Energy conducted an extensive study of the likely effects, including likely environmental implications, of changing the current law. The Department, and I quote:

Found no plausible evidence of any direct negative environmental impact from lifting the ANS export ban.

By and large, Mr. President, the same U.S.-built, U.S.-owned, and U.S.-crewed vessels that carry Alaskan oil to market today will continue to carry the crude to market tomorrow with a change in policy. The same skilled merchant mariners will continue to man the vessels. Current Department of Defense and Department of Transportation projections indicate that we are facing a critical shortage of trained mariners capable of manning the ready reserve force. This bill will help ensure that we will continue to have a reservoir of capably trained mariners sufficient to man our reserve fleet in time of national emergency. And our Nation will continue to have access to a fleet of environmentally safe and militarily useful vessels that otherwise are destined to be converted into razor blades.

By enacting this bipartisan legislation, we can help ensure the continued existence of the largest segment of our domestic merchant marine. Let us demonstrate again that we can work together to help promote our energy security, our national security, and at the same time preserve jobs.

Mr. President and my colleagues, I will just add a couple of remarks and

point out that again this ban was enacted at a time when this country literally was on its knees from the standpoint of energy requirements. The Middle Eastern oil nations had banded together to form cartels which restricted amounts of oil being exported to the United States in particular.

We all remember the long lines that occurred in the 1970's when people had to wait in line to buy gasoline for their automobiles and vehicles. Everyone in America wanted Congress to do something about it. One of the things that we did was to say, all right, we are not going to allow any of the Alaska North Slope oil exported to other countries. We are going to keep it right here.

Mr. President, I think we probably acted with some degree of haste in taking that action and in thinking that by doing so we were somehow going to increase the domestic production. I think in reality we should all understand that oil is a commodity which can be traded all over the world; that, indeed, many ships that are plying the oceans filled with oil are sent to different ports in the middle of a voyage depending on the need because the price is better in one area or the need is greater in another area or for whatever economic determination that is made.

So the point is that oil is traded on the world market according to need and price. If we can, indeed, take some of the crude oil in Alaska and sell it at a better price in overseas markets, we should be allowed to do that. The price return will allow greater domestic production in areas of the United States where that production can occur.

I am a Senator from the State of Louisiana. I have nothing to do with oil, of course, that is produced in Alaska. But I think this is good policy for my State, for the State of Alaska, and indeed for all of the States in the United States. I think it will increase production, and it will not do damage to any part of our Nation. It is good economic energy policy for the future of our country.

Mr. President and my colleagues, I hope we would move on this. It should be relatively noncontroversial. I know some Members have legitimate concerns, and they will be heard, but I think we should move forward, debate the issue, vote on this legislation, and ultimately we should adopt it as good energy policy.

Having said that, Mr. President, seeing no one else seeking recognition at the moment, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been noted. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I further ask unanimous consent to proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORE POLICE ON THE STREETS

Mr. DEWINE. Mr. President, I rise this afternoon to continue my discussion of the crime bill that I intend to introduce this Wednesday.

As I previously pointed out, there are really two basic questions that we need to address in the area of crime whenever we try to determine whether a crime bill is good or whether it is not good, whether it does the job or whether it does not do the job.

The first question is: What is the proper role of the Federal Government in fighting crime in this country? The second is: What really works in law enforcement? What matters? What does not matter?

Last Wednesday, I discussed these issues with specific reference to crimefighting technology. The conclusion I reached was that we have an outstanding technology base in this country that does a great deal and will continue to do a great deal to help us catch criminals.

Technology, Mr. President, does in fact matter. But we need the Federal Government to be more proactive, more proactive in getting the States on line with this technology. Having a terrific national criminal record system or a huge DNA database or an automated fingerprint system or huge DNA database for convicted sex offenders in Washington, DC, is great; it is nice. But it will not do much good if the police officer in Hamilton, OH, or Middletown, OH, or Cleveland, OH, cannot tap into it, cannot put the information in, and cannot get the information back out.

My legislation would bring these local police departments on line. It would help them to contribute to and benefit from the emerging nationwide crimefighting database.

On this past Thursday, I discussed what we have to do to get armed career criminals off the streets, those who terrorize us, terrorize their fellow citizens with a gun. I talked about a program called Project Triggerlock that targeted gun criminals for Federal prosecution. My legislation would bring back Project Triggerlock and toughen the laws on gun crimes in many other significant ways. We have to get these armed criminals off the streets.

On Friday, I talked about the long neglected needs of crime victims. In too many ways, our legal system treats criminals like victims and victims like criminals. We have to stop that. My legislation contains a number of provisions that would make the system much more receptive to the rights and the needs of crime victims.

Today, I would like to turn to another item. I would like to talk about